

TEXAS

the publication of the  
Texas Jewelers Association

SUMMER 2018  
Vol. XVIII No. 2

# Jeweler



**Aaron Paul, winner of the Emmy for "Breaking Bad" and his wife  
Lauren Parsekian wearing Susan Eisen couture diamond ear climbers.**

<https://youtube.com/watch?v=CaP0ni6qGVA>

RESORTED STANDARD  
US POSTAGE  
PAID  
PERMIT #372  
AUSTIN, TX



## SAFE

PREVENT CRIMES AND OTHER DANGERS  
WITH ADVICE FROM  
OUR LOSS PREVENTION EXPERTS.



## SECURE

AVOID RISK AND FEEL CONFIDENT IN YOUR  
COVERAGE WITH EXPERIENCED UNDERWRITERS  
AND A RESPONSIVE CLAIMS TEAM.



## SUCCESSFUL

PARTICIPATE IN OUR EXCLUSIVE  
JEWELER PROGRAMS THAT CAN HELP  
GROW YOUR BUSINESS.



## SUPPORTIVE

JOIN A MUTUAL COMPANY THAT INVESTS  
MILLIONS OF DOLLARS TOWARD THE  
JEWELRY INDUSTRY'S PROSPERITY.

# Jewelers Mutual<sup>®</sup>

INSURANCE GROUP  
— SINCE 1913 —

JEWELERSMUTUAL.COM  
800-558-6411

PROUD SPONSOR OF THE TEXAS JEWELERS ASSOCIATION



### DALLAS OFFICE

8350 North Central Expressway  
Suite M1085  
Dallas, TX 75206  
800-339-9124

### Kent McClenahan

[kmcclenahan@jmiservices.com](mailto:kmcclenahan@jmiservices.com)

### Ryan Hollingsworth

[rhollingsworth@jmiservices.com](mailto:rhollingsworth@jmiservices.com)

### SAN ANTONIO OFFICE

722 Lari Dawn  
San Antonio, TX 78258

### Steve Konetzke

[skonetzke@jmiservices.com](mailto:skonetzke@jmiservices.com)  
210-490-6611



**Editor in Chief**  
Rex Solomon

**Editors**  
Susan Eisen  
Lucinda Rogers

**Publisher**  
Brad Koen

**President**  
Rex Solomon  
Houston Jewelry  
Houston

**Vice President**  
Susan Eisen G.G.  
Susan Eisen Fine Jewelry  
El Paso

**Secretary/Treasurer**  
Amber Gustafson  
Amber's Designs  
Katy

**Past President**  
Brad Koen  
Joe Koen & Son Jewelers  
Austin

**Vendor Executive**  
Robert Loving  
Time Delay  
Dallas

**Directors**  
Curt Vinson  
Troy Vinson Jewelers  
Fort Worth/Granbury

Joshua Sandler, G.G.  
Designer Jewels  
Houston

Jim Rogers  
Gold N Carats  
Irving

Marc Alonso G.G.  
Alonso Jewelry Designs  
San Antonio

Britt Caffarena  
Better Bling Studio  
Stafford

**Vendor Associates**  
Doug Hucker  
America Gem Trade Association  
Dallas

Kent McClenahan  
JM Insurance Services, LLC  
Dallas

Alan Lodinger  
Alan Lodinger Sales  
Houston

Mary Mochilar  
Escape Watches  
Dallas

**Print & Design**  
ArtJam Productions, Inc.  
www.artjampro.net

# INSIDE THIS ISSUE

## SUMMER 2018

<b>President's Message "Rex' Corner"</b> .....	4
<b>Time For Aggressive Marketing Tactics</b> .....	5
<b>Cyber Security – The Threat is Now!</b> .....	6
<b>El Paso's Susan Eisen on the Red Carpet</b> .....	7
<b>Five Custom Design Myths That Aren't True</b> .....	9
<b>Marvelous Member News</b> .....	10
<b>Texas Retail Insights</b> .....	11
<b>What to Know About Anti-Money Laundering Certification for Jewelers</b> .....	12
<b>How to CRUSH On-Line Diamond Shoppers</b> .....	13
<b>True Texas Everyday Business Stories</b> .....	14

**Join Us! Download Membership Application URL: <http://texasjewelers.org/how-to-join/>**

### Past Presidents

Jeanie Roe	Nowlin Jewelers - Lake Jackson	Robert N. Mitchell
Roberts Jewelers - Del Rio	Wayne Head	Mitchell Jewelers – Henderson
Robert Harrison	Tetts Jewelers - Bay City	Dell M. Sheftel
Harrison Jewelers - Lakeway	Bill Holland	Sheftel Jewelers– Austin
Eric Wright	Holland Jewelers - San Angelo	Melrose Tappan
Village Goldsmiths - Dallas	Arnold Rubin	Melrose Tappan Jewelers - Sherman
Marc Priest	Arnold's Jewelers - Ft Worth	Myron Everts
Legend's Jewelers - San Angelo	Jim Barnes	Arthur A. Everts Jewelers - Dallas
Doug Jackson	Bill Barnes Jewelers - Victoria	I.J.C. Holland
Jewelmart - Paris	David Billings	Holland Jewelers - San Angelo
Peter LeCody	Billings Jewelers - Houston	W.D. Armstrong
Fastfix - Dallas	Kay Kraugh	Armstrong Jewelry Co - Brownwood
Bill Koen	Kraugh Jewelers - Bastrop	B.T. Burgess
Joe Koen & Son - Austin	Wm "Mac" House	B.T. Burgess Jeweler - Wichita Falls
Lucinda Rogers	Vic Maden	H.E. Pelz
Gold n Carat - Irving	Vic Maden Jewelers - Mexia	Pelz Jewelers - Marshall
Wayne Salem	Frank Everts	W.B. Kinne
Salem's Jewelers - Marble Falls	Everts Jewelers - Austin	Kinne Jewelers - Gainesville
Don Wilson	R.A. Lackner Sr	Edgar L. Pike - Dallas
Don Wilson Jewelers - Austin	Robert D. Armstrong	J.E. Mitchell -Ft Worth
Troy Vinson	Armstrong Jewelers - Waco	C.B. Pittman -Ennis
Troy Vinson Jewelers - Ft Worth	Vim X Rye	Arthur A. Everts
John Nowlin	Tetts Jewelers - Bay City	Arthur A. Everts Jewelers - Dallas

**How to Advertise with Us URL: <http://texasjewelers.org/advertise-with-us/>**

611 Congress Ave. | Austin, Texas | 512-478-2595 | EST. 1906 | [www.TexasJewelers.org](http://www.TexasJewelers.org)  
© 2018 Texas Jewelers Association  
All Rights Reserved

## President's Message

### Rex's Corner



Jewelry Week is coming, and the Texas Jewelers Association is hosting our Annual Meet & Greet Saturday Evening from 6:00 pm – 8:00 pm in the AGTA boardroom / Office area. After the meet & greet is over, a large group of us will then walk over to the Mandalay Bay Buffet and take over a section of the dining room and have dinner and drinks. Last year we stayed until they turned the lights out! Each more during Luxury a group of us will liberate a table and plant

a small Texas Flag, and we invite any Texas jeweler to join us! During jewelry week we will be working to promote our convention on October 27 – 29 at the Austin Crowne Plaza.

As we move from spring to summer of 2018 it appears that Texas is on a path to increased growth as all important oil prices have moved above \$70 a barrel, and no matter what else happens in this state, oil is still king, and that has historically been good for Texas jewelers. We may like to think we are in the jewelry business, but in Texas we are all in the oil business one way or another... So if we can go a year or so with out a major natural disaster 2018, could be a nice year for jewelers in Texas.

Once again, we will be distributing our now traditional Texas pins out to any one from Texas and encouraging them to join us! The Texas Jewelers Association continues to grow and become a more involved participant in the larger jewelry community of associations and organizations. We are currently exploring additional alliances which will both add value to your membership, but also more closely coordinate efforts for unity in common cause in the jewelry industry in particular, but also with other merchants as well. We hope to announce the new programs soon. We continue to attract more retail & associate members. We are actively looking for members who would like to get involved! You are welcome create a program if you'd like...there are so many undeveloped resources that could transform this association, and the industry in Texas.

While membership is at record levels, there are still a large number of stores that still have not sent in their renewals as of printing of this issue.

Please ask you friends if they've joined...So while JCK is about meeting vendors and your peers in the TJA to compare notes etc, we will also be laying out the rough plans for the 2018 Austin convention, as well as the new awards the TJA will presenting at the annual dinner.

Rex Solomon  
Houston Jewelry

# Time For Aggressive Marketing Tactics

Bob Epstein



For the last century, store owners have operated on the premise borrowed from the script in *Field of Dreams*: “if you build it they will come.” It’s all about location, right? So build your store in a traditional strip center on a busy street with good visibility and lots of parking and they will come. Or build it in a mall and they will come (or at least walk by). Or build it in a luxury lifestyle center and they will come---maybe in their BMW or Audi. The whole *build it*

*and they will come* mentality is why many traditional jeweler store owners still didn’t bother to maintain customer mailing lists, have anything but a rudimentary web site and scoff at Facebook. Who needs Facebook *they will come*.

But the times they are a changin’. Customers aren’t coming. They go on-line to shop for diamonds with certifications they didn’t understand. They go to big box stores after seeing the full page ad in the newspaper and hearing the 60 second spot of cable television. When the recession hit and customers did come, it wasn’t to buy jewelry but to sell Aunt Betty’s gold bracelet. Nobody in the family really liked Aunt Betty anyway....she was difficult to get along with. And who can afford jewelry during a recession when the college tuition needs to be paid and the washing machine finally died and was beyond repair.

Old timers shake their heads; *the industry has changed. Things aren’t what they use to be*. True. If you build it they may not necessarily come. Even if you have already built it and been in business for a while, they may not come with the frequency or spend as much as in the past. It’s not enough these days to have a good location with adequate merchandise. So now what? Curse the darkness or light a candle?

The *now what* is that owners must take a more aggressive, pro-active approach to getting customers into their stores to buy. “If you build it they will come” needs to be replaced with “if you mail, e-mail, manage a Facebook page, strategically discount, manage your inventory and advertise they are more likely to come.” In this day and age it’s essential to have a plan of attack: a detailed sales and marketing plan. Now might be just the perfect time to do some analysis and planning prior to the holiday shopping season

Of course each market is unique. Each store is unique. You’ve got to develop an overall marketing strategy that is relevant to who and where you are. In this regard, location *is* still important. The mix and match of different advertising media often depends upon where your store is located---whether it’s in a densely populated, city location, or more rural area where customers will drive from a neighboring towns, even counties to shop. For example, sign walkers strategically placed at high traffic intersections in major metropolitan markets are incredibly effective in generating store traffic. They are much less effective in less densely populated or rural areas. So location *does* matter.

Newspaper print ads in major metropolitan areas have become so expensive they are often cost prohibitive; neighborhood newspapers--many published weekly--offer a cost effective alternative. Local radio station spots on local news or talk shows can be productive but costs vary widely by market as do the cable television stations.

No matter where your store is located, direct mail is a solid foundation because it will allow you to contact your current customers and target new prospective new buyers as well. Hopefully you have a mailing list of current customers that you use periodically. If not, you can begin building a customer database using customer information stored on your computer system or your Outlook™. Many point of sale systems used today have the ability to transfer customer information into your database every time you run a credit card. To attract new customers, you might want to test targeted direct mail to outside mailing lists. Match the demographics of your own customers with that of the list you rent. Direct mail is our favored media as the results are immediate and measurable. With the right mailing list, a strong offer and call to action you can connect with your customers--no matter where your store is located and what other advertising media might come into play.

Okay. . .let’s talk about Facebook---it’s not just for kids anymore. The Facebook users who are age 55-and-up has skyrocketed; up 80% since 2010. There was also a 41% increase in Facebook users ages 35 to 54 during that same time period. Facebook users in the U.S. now stand at 180 million. Having a Facebook page these days is a little like having a business card. You’ve got to have one. If managed and used correctly it can be a no-cost media source to stay in touch with current customers and attract interest from prospective buyers. But you’ve got to use it!

Post at least once or twice a week to keep your store name and activity in circulation. Use your Facebook page to announce a new and exciting shipment of designer goods. Maybe announce an open house and private sale for preferred customers. Every now and then post a customer profile (with their permission of course). Something that celebrates an engagement or other life milestone. Pictures of the happy couple and the ring they just picked out. Chances are that couple will comment and “share” that post with their friends; some of those friends will like or share that post. That’s viral marketing. The real deal.

Yes, times have been tough in the jewelry industry but we’re not hopeless or helpless. But the tide will turn. Taking some affirmative action and putting together an aggressive marketing plan now will help position you for a more successful and profitable fall and holiday shopping season.

*Bob Epstein is CEO of Eaton Hudson Jewelry Advisors. Eaton Hudson provides guidance to store owners seeking to turn around a business, sell off unwanted inventory, or liquidate an entire store. Recruited from his longtime CEO role at Silverman Consultants, Epstein has over 25 years of experience in finance, operations, strategic planning and corporate accounting. He also has extensive experience in the areas of inventory evaluation, restructuring, bankruptcy, crisis management, budgeting and financial planning. For more information, visit [www.eatonhudson.com](http://www.eatonhudson.com) or call Bob direct at 1-843-881-3383.*

# Cyber Security – The Threat is Now!

by Susan Eisen, GG, Master Gemologist Appraiser, ASA



At the recent AGS Conclave held in Nashville, I was fortunate enough to attend the seminar led by Jewelers Mutual on cybersecurity. When you hear from someone who is involved in managing it on a day to day basis, it can cause great alarm. The hackers are getting better and better at what they do and the industry is trying to stay ahead of the curve. Here were some of the great tips they presented at the seminar:

- Always update your computer and computer programs each time you get the notice to do it. The updates are for your protection because they are strengthening the weak spots in their systems that are allowing hackers to get through. Be sure the notice is authentic before you do it.
- Be aware of warnings that you get for new types of interception and take them seriously. Jewelers Mutual said it's not "whether" you get hacked, but "when"!

- Be sure that everyone has a different password, not only for your main program but also for facebook, twitter, and other programs. This way you can see who is working on your system and who posts what.
- Never give in to criminals who ask for ransom to get your data back if they have hacked in. They cannot be trusted to deliver what you need after you pay them. Turn off your system, call your IT service, and see if they can go into a previous backup to start over again. Wipe your computer clean so there is no hint of contamination.

The seminar was very insightful and made me internally analyze my strong and weak points in my system. It behooves us all to take extra care of our data at all times and to avoid thinking "it will never happen to me!"

Susan Eisen, CEO

Susan Eisen Fine Jewelry and Watches, El Paso, Texas



# El Paso's Susan Eisen on the Red Carpet



By V. Villa

Susan Eisen fell in love with jewelry making in September of 1972 as an art major at the University of Texas at El Paso. In studying for her Bachelor of Fine Arts degree, she had to take many different studio art courses including sculpture, ceramics, life drawing, design and printmaking. Needless to say, something happened when she made contact with metal in her Art Metals class. She learned how to bend it, shape it, solder it, file it, and polish it. It came to life. Ever since then she has loved making and designing jewelry in her retail store she opened May 6, 1980 in an old refurbished home in the museum district of El Paso. Never having imagined she would own her own jewelry store someday with no real business experience, she began creating her own designs at the bench and little by little, due to customer's requests, learned about gemology and appraising. She attended one week classes, and did home study with GIA to become a graduate gemologist and for the past 38 years, she has grown to love everything about the jewelry business. From the technology end and social media and advertising to the many experiences she has had getting to know her customers and hearing their stories, every minute has been a labor of love.

Throughout her career as a retail jeweler, she gradually lost touch with her love of designing and moved into the retail world of hiring and firing, buying, advertising, inventory control, etc. and started representing other designers in her store. Six years ago, while writing her first book entitled "Crazy About Jewelry-The Expert Guide to Buying, Selling and Caring for Your Jewelry" she connected back to her love of designing jewelry and started doing it again. After reading about celebrities wearing jewelry designed by jewelry artists in the industry, she decided to take a plunge and give it a try. The first award show she was accepted into was the 2015 Emmy Awards, and she was asked to design a pair of unusual diamond earrings for Aaron Paul's

wife, Lauren Parsekian, to wear at the show. Lo and behold, Aaron Paul won the Emmy for "Breaking Bad" that year and pictures of him kissing his wife, holding the Emmy award, surfaced on the internet that year. Subsequent to that, Ms. Eisen has had over 50 pieces walk the red carpet by celebrities including stars on "Bachelorette", "Fashion Police", "Miss America", "The Academy Awards", and the "Screen Actor's Guild Awards". Having celebrities and their stylists choose her designs to accent their couture gowns has inspired her to continue creating one



Aaron Paul, winner of the Emmy for "Breaking Bad" and his wife Lauren Parsekian wearing Susan Eisen couture diamond ear climbers. <https://www.youtube.com/watch?v=CaP0n1g2UkA>

of a kind pieces with unusual gemstones and diamonds, and she has created several collections in her store based on the styles worn by the celebrities.

Her second book was based on the stories she heard from customers about family inheritance battles. This persuaded her to write her next book entitled "The Million Dollar Dishrag-An Effective and Powerful Plan to Avoid a Family Inheritance Battle After You Die" which includes stories and suggestions on how to be sure the jewelry and other collectibles don't cause a family breakup when someone dies. This book opened up more opportunities for her to visit with her customers and see their heirlooms and offer suggestions on what to do with them.

"I am honored to serve as Vice President of the Texas Jewelers Association, the only representative who has ever served from El Paso" she said. "As a woman designer and jewelry entrepreneur, I look forward to getting to know more Texas Jewelers and motivating them to try new ways to influence the jewelry world with a positive Texas spin!" said Ms. Eisen. Stay tuned for more Eisen designs to walk down the red carpet to come and take advantage of your association with other Texas Jewelers so everyone can learn from each other on how to reach new heights and advance to what's new ahead.



# MEET & GREET

Saturday, June 2, 2018  
6:00 to 8:00 PM  
AGTA Boardroom

## **TEXAS JEWELRY INDUSTRY REGULAR NETWORKING EVENTS:**

### **Houston Area Jewelers Breakfast**

Friends in the Jewelry Business:

Second Friday Every Month @ the Egg & I Breakfast Meyerland.

4938 Beechnut St, Houston, TX 77096

Approx 7:30 – 9:00 A.M.

Organized by Amber Gustafson [amberdgn@aol.com](mailto:amberdgn@aol.com) (281) 391-6333

The Facebook Group is: <https://www.facebook.com/groups/156147236021/>  
Houston Area Jewelers Breakfast

### **Dallas Ft Worth Area Jewelers Breakfast**

We will meet on the second Wednesday of the month at 8:15 am at Denny's on Central Expressway just North of Meadow Road, South bound.

There is no agenda, just a cup of coffee or a great breakfast, and get to talk to other jewelers.

We are out of there at 9:00 a.m., time enough to get to your office!

Come see what we are about and do a little networking!

For Questions call Dolores English

or For Snarky Comments call Jeffrey English

at [214-638-1583](tel:214-638-1583)

### **Austin**

Breakfast every Friday at 8 AM. Different locations.

We have been meeting for approximately for 35 years!

Main contact: Robert Harrison [jeweler@prodigy.net](mailto:jeweler@prodigy.net)

(512) 266-1715



# Five Custom Design Myths That Aren't True

David Geller

## 1. You can't sell a custom ring that is so similar to a ring in the case for a higher price

Jewelers across the country prove this myth to be incorrect. Customers will pay to "have it their way". Car dealers advertise the car at a low price but consumers add bells and whistles to get the car their way. Friends who had perfectly wonderful kitchen and bath upgraded them to the tune of 100K.

Explain how much they'll love it, it'll be just the way they wanted it and rings in the case are manufactured by the dozens at a time and your ring will be manufactured one at a time. Time is money. Lastly 6 months after you get the ring you'll forget the price and just remember every day how special it is. This myth is perpetuated by sales staff not customers.

## 2. Our staff can't sell such technical items.

Put a 14 year old behind the wheel of a car and it's an accident bound to happen. But with training and practice you became an excellent driver.

Selling custom design doesn't mean you have to manufacture it. First thing you're selling is a dream; a desire. Next you can use many jewelry trade magazines and fashion magazines like Vogue; Elle; Glamour; InStyle to get ideas from them and the celebrities. During store meetings go over selling; drawing and pricing custom pieces. One a meeting.

After sketching a design the sales staff might need to ask the jewelers about a) weight b)size of stones. The actual design itself can be done on a Cad/Cam computer program and the customer can come back later to view it. Many stores still carve the model in wax and will show that to the customer.

## 3. My jewelers can only do repairs, they could never do wax carving or cad work.

If your jeweler can't carve wax nor work a cad/cam program this is easily outsourced. In the back of jewelry trade magazines you'll find plenty of places to help you with this. In many cases after you send over your sketch they can email you great pictures of what the finished product would look like when made to show your customer.

## 4. It takes away from my staff selling from the case.

If you've opened jewelry store to make money this is actually **better** than selling from the case. Case sales "average \$400 to \$850" and you have to keep hundreds of thousands of dollars in inventory to make a sale. Plus your product is found in other stores and on the internet. You may not get the margin you want from the case, typically 43% and up..

Meanwhile the average custom sale is \$1200 to \$3500 and requires virtually no on hand inventory as almost everything is "ordered as sold". Typically your expertise and designs can't be shopped. Margins are easily 50-65%.

Most jewelers find custom enhances showcase sales especially if the engagement diamonds stay in the case. You'll make a higher overall dollar and margin engagement ring sale if the mounting is custom designed. Plus there is probably a fourth the numbers of jewelers in town making custom item versus just selling from the case. Less competition.

## 5. Why mess with something when we sell it every now and then?

Advertise it; put on your web page; Facebook and Twitter pages that you do this and show pictures and this side of the business will surely grow quickly. Want to skyrocket sales? Take pictures as the process goes along and email the customer "today we made your model-see picture". "Today we are melting the white gold into your mold; see John the jeweler doing this in the attached video. It's **your ring** being made!" The customers will send this viral and to their friends. Best free advertising you'll ever get.

David Geller

Director of Shop Profits

# Marvelous Member News

Congratulations to the following Texas Jewelers Association Members!

By Susan Eisen

**Mark J. Sandler** of **Designer Jewels** in Houston was elected to serve on the Board of Governors of the American Society of Appraisers. Along with **Susan Eisen**, he is one of only 49 Master Gemologist Appraisers in the USA.

From Brad Koen:

**Joe Koen & Son Jewelers**

“Thanks for supporting any way you can Team Koen. It has been a really wild road since January with many trips to the hospital or doctors office until March 8th when I was finally diagnosed with Stage 4 non-Hodgkin’s Lymphoma. It is the moderate aggressive cells so it was important that I started treatment as soon as possible. I have had 3 chemo treatments and have 5 more to go. The first 2 treatments made me feel good and strong. The last one has made me more nauseated and is trying to keep me down, but I am a fighter. I did get some good news from the doctor last week after doing a full body PET Scan. The lymph nodes have shrunk in half from the beginning and the doctor says that the chemo is working. By the time I am finished with all of the treatments I should be clear and free of it for up to 5 to 7 years. I have been staying at home each week after treatment recovering from the chemo and then working half days for 2 weeks until the next treatment. We had to do a lot of reading and talking to survivors to get all of the info that we need to make it thru this. I have pulled out my Torah book and begun reading it again. I would love any support even if it is just a text or email. Thanks for Standing by Brad.”

**Dror & Helen Zadok** of **Zadok Jewelers** are 2018 inductees into the Retailer Hall of Fame.

**Houston Jewelry, I.W. Marks Jewelers and The Jewelry Judge**, were recognized at the annual Houston Better Business Bureau Awards of Excellence held on May 9, 2018.

**Kent McClenahan** and **Steve Konetzke** have been admitted into the prestigious **Jewelers Mutual President’s Club** which required them to meet a series of criteria throughout 2017.



**Jim Rogers of Gold “N Carats in Irving** has been given a clean bill of health and is considered to a miracle patient. Wishing you the best of health!

**Rex Solomon** deserves a loud round of applause for spending countless hours rounding up advertisers and writers for our beautiful issues of Texas Jeweler Magazine. Thank you Rex!

**TJA** is on the move! After one year, the association has grown from 30 members to 54 associate members and 125 paid retail members and is the largest state jewelry organization in the US.

Please send any announcements or member news for future issues to: [News@TexasJewelers.org](mailto:News@TexasJewelers.org)

# Texas Retail Insights

By: George Keleman – President Texas Retailers Association



Summer signals the end of school, and the beginning of vacations, camps and the annual Texas Retailers Forum, which will be held July 22-23 in Corpus Christi. There is more information on this year's Forum below, so register and book your hotel rooms now. In addition to preparing for Forum the TRA team has been busy tracking and lobbying on issues ranging from the Farm Bill to Trade and NAFTA at the federal level; to the Inventory Tax and Paid Sick Leave at the state and local levels.

This month, on May 22, all the runoff elections for the primaries for elective offices, ranging from State Legislature to Congress, will take place in several key districts across the state. The results of the runoff elections should give us a better sense of what the make-up of the 86<sup>th</sup> Texas Legislature, as well as our next Congressional delegation will look like, as in many of these districts it's the primary results that matter most. In the meantime, TRA continues to track and lobby on several key state and federal issues of importance to our members.

This is a critical time for trade related issues, such as trade tariffs and NAFTA renegotiation. Earlier this month TRA joined with the National Retail Federation (NRF) to express our concerns to the Trump Administration regarding their proposed tariffs on trade with China. We have also weighed in and continue to lobby aggressively for a constructive renegotiation of NAFTA, which does not diminish the spirit of the original agreement. This month we are also anticipating that the U.S. Supreme Court will rule on the e-fairness case which it considered and heard oral arguments on in mid-April. It is our hope that the court will rule in our favor and set the stage for leveling the playing field for all retailers, regardless of presence. Lastly, the House version of the Farm Bill will likely be debated on the floor of the U.S. House this month. TRA was instrumental in

the lobbying effort which yielded a House bill which is consistent with our priorities, and as a result we have formally endorsed the House Farm bill and are lobbying for its passage by the House.

On the state level during this interim time in between legislative sessions, we continue to educate state lawmakers on the inventory tax and why it is so detrimental to business in Texas. Additionally, we are actively involved in the effort to educate Austin area retailers on the recently passed Paid Sick Leave ordinance, which takes effect in October, so they are best prepared to deal with this anti-business new regulation. However, we are committed to playing a key role in preparing the legislative effort to preempt the Austin Paid Sick Leave ordinance and others like it, when the 86<sup>th</sup> Legislature convenes next January.

All these important issues and much more will be discussed in detail at the 3<sup>rd</sup> Texas Retailers Forum, in Corpus Christi this year, July 22-23. Our annual educational Forum, hosted by the Texas Retailers Association and the Texas Retail Education Foundation (TREF), will provide retailers with timely, topical and quality program sessions and speakers, in addition to highlighting the work of TREF. Specifically, attendees will hear from experts in tax policy, electoral politics, journalism, national associations, as well as local, state and federal representatives during panel discussions which will focus on the most topical issues facing the retail industry. Additionally, Forum attendees will have the opportunity to meet with retail industry leaders from across the state and nation at networking functions such as our Awards Dinner, networking breaks, and our popular closing night casino party. Registration is now open and sponsorship opportunities are also available. Make plans now to secure a spot for you and your company at this can't miss annual industry event.

For information about the Texas Retailers Association and our membership, advocacy efforts and events, please visit the TRA website at: [www.txretailers.org](http://www.txretailers.org)

# WHAT TO KNOW ABOUT ANTI-MONEY LAUNDERING CERTIFICATION FOR JEWELERS

Brought to you by Jewelers Mutual Insurance Group

There are a lot of things you need to focus on to grow sales and keep your jewelry business successful. More money can bring about more problems, though.

It's not just because there's more of it to manage, but jewelers specifically need to be cognizant of Anti-Money Laundering (AML) laws. Complying with these laws can be tricky for jewelers, but one thing is for sure: if you don't, you could face serious penalties.

If you're not familiar with the laws, who needs to comply with them, how to comply, and what could happen if you're not compliant, it's time you learned.

Learning isn't the only thing you need to do, though — Anti-Money Laundering certification for jewelers is required and you need to do it on an annual basis.

Before you create a program and get it certified, these are some of the basics to know:

## What are Anti-Money Laundering laws?

The Financial Crimes Enforcement Network (FinCen) defines "money laundering" as the process of making illegally-gained proceeds appear legal.

To prevent "dirty money" attempting to be made "clean," Anti-Money Laundering laws were initiated in the United States beginning with the Bank Secrecy Act in 1970.

These **laws have not changed**, but their scope has been broadened. Amendments made by the USA PATRIOT Act in 2001 **includes jewelers as part of the "financial system"** because of the enormous value gems, jewelry, and precious metals carry.

Given the possibility that dirty money from illegal activities could be converted to clean money through trading jewelry, there are **no signs that these laws will be rolled back**.

## Who needs to comply with the laws?

FinCen defines jewelry "dealers" and "retailers" differently and compliance to Anti-Money Laundering laws is based how jewelers conduct their business.

**"Dealers"** are defined as those who purchased *covered goods* in an amount exceeding \$50,000 during the prior calendar or tax year and received more than \$50,000 in gross proceeds from the sale of *precious metals, jewelry, and gemstones* during the same time frame.

- *Covered goods are defined as precious metals, jewelry, gemstones, and finished goods*
- *The amount for gross proceeds from sales does not include finished goods*

A **retailer** is one who does most of their selling to the general public. They may be exempt if one of the following situations is applicable:

- 1) They are a licensed pawnbroker
- 2) They purchase only from other retailers or U.S.-based dealers (who should already have a certified AML program)
- 3) They purchase less than \$50,000 in covered goods from non-dealers in the prior calendar or tax year

**All transactions involving \$10,000 or more** (sale or purchase) in cash or cash equivalents still require all industry members to file an IRS 8300 form.

## Why is AML compliance for jewelers important?

It's not you, it's ... them?

What that means is the laws are not necessarily in place because jewelers will behave unethically if they weren't instituted, but criminals or terrorist organizations will target unsuspecting business.

These corrupt individuals and groups do so by buying your legitimate covered goods to unload their "dirty" money and in turn sell or trade it to finance their unethical operations.

As seen in recent news, the backlash from knowingly laundering money can also have serious repercussions on public image, too.

We've shared how important it is for jewelers to keep their merchandise protected from fraud, but this has larger implications than losing your merchandise.

## What happens if jewelry businesses are not compliant?

Regulators could enact two different types of penalties for non-compliance.

- 1) A civil penalty may be a **fine up to \$250,000** or up to two times the amount of the transaction, not to exceed \$1,000,000.
- 2) A criminal penalty may be a **fine up to \$500,000 and a maximum of 10 years in prison**, or both.

Of course, formal investigations and legal proceedings will be done before any charges are filed, but much like an employment lawsuit, you may find it difficult to keep a positive public image associated with your business during the process.

Remember, even if you unknowingly launder money, you can still be charged for being negligent.

## How can jewelry business comply with AML laws?

If your business is not exempt, you are **required** to do the following:

- Appoint a "Compliance Officer" to manage your AML program
- Assess the risks your business faces
- Create a written, customized program
- Conduct ongoing employee training
- Check customers and suppliers for risk factors
  - Appoint an independent tester to verify that your program is current, appropriate, and effective
- Have your program tested annually
- File appropriate federal forms when needed

If that sounds like a lot, you're right — there are many things to consider when it comes to AML compliance for jewelers.

Thankfully, you don't have to guess where to start or go about creating your program blindly.

In addition to offering exclusive discounts and insurance options for jewelers who ship their goods, JM Shipping Solution has an affordable AML program creator to help guide you through every step.

**Jewelers Mutual**<sup>®</sup>  
INSURANCE GROUP  
— SINCE 1913 —

# How to CRUSH On-Line Diamond Shoppers

Aleah Arundale



After Reading this, You will Never Lose a Sale to an Internet Seller Again!

Don't worry if a customer says they "saw" a diamond on-line. REMEMBER: If they wanted to buy on line, they would have. They want to buy from YOU. Here is how to make that happen.

## 15 TIPS TO HELP YOU COMBAT INTERNET DIAMONDS

#1 Did you know the #1 MOST important thing about DIAMONDS can not be found on ANY CERT? Sparkle! Remind your customer the internet cannot tell you how much a diamond sparkles.

### #2 IT'S FOREVER

This is maybe the most precious item they will ever own. Remind them that the story and the experience will last long after the price is forgotten. Websites come and go but a diamond is forever.

### #3 DIAMOND DATE PROFILES

How often is a person like their profile? The same is true with on-line diamond profiles. You must see a diamond before you buy it. If I gave you all the dimensions of a woman could you tell me if she is beautiful? NO! The same is with a diamond.

### #4 SELL FEELING.

The internet lacks experience. People don't go to Tiffany's for the best deal. They buy the experience. Sell the feeling that the internet can't.

### #5 ONLINE IS NOT EASY!

People buy online because they think it is easier. Convince them it's not. Try saying this: "Why don't you order in the diamonds. You have a scale at home to check the diamond's weight right? You have a master set to grade color? You are fully insured if the company says they did not receive it, or it was shipped incorrectly?" Try to convey what a hassle buying online is.

### #6 EXAMINE BEFORE YOU BUY

Diamond dealers don't buy diamonds without seeing them. Why should you?

### #7 THE VALUE OF PICKING

When selling a diamond, remind them how many hundreds of diamonds had to be picked through in order to get to the diamonds they are seeing now. Having a professional (you) pick the best for them is the best way for them to get a great deal. Your effort, time, and knowledge ADD REAL VALUE to your diamonds. Remind them that you reject 99% of diamonds, and only show them the best of the best.

### #8 TELL STORIES

Your story might be your long history in your community or that you

do the best custom work in town. The better you deliver your story, the less price matters.

### #9 JOIN THEM

Why don't YOU have your own online diamond list? My jeweler friend Alex says customer's say to him "Oh you have diamonds just like BN." Which makes him look more competitive.

### #10 BLUE BUSTER TRICK

When a customer says they 'saw' a diamond on a certain blue website, ask them "Did you look at 'SIGNATURE' IDEAL Diamonds?" (P.S. these are priced much higher!) Tell the customer that YOUR diamonds are hand picked and that it's only fair to compare them to other signature diamonds.

### #11 BLUE BUSTER TRICK #2

Ask the customer if they know why it takes On-line sellers so long to ship? Why? BECAUSE most of the diamonds are in Hong Kong, or India. Why is this bad? GIA certificates not from USA are less strict and considered universally inferior to those graded in the USA. Not to mention they could be keeping their money local.

### #11 SERVICE

What if you have a problem a few months from now? Who will take responsibility? Isn't your piece of mind worth going retail?

### #12 HORROR STORIES

We have all heard horror stories of fake certificates and dishonest sellers, but the public hasn't! Don't be afraid to tell your customers some of these horror stories.

### #13 RANGES WITHIN GRADES

I hate when customers go to websites that list diamonds and just tell you about the CHEAPEST one. Ask them "What about page 2?!" "Don't they think there is a reason that one is so much cheaper? Not every G SI1 is the same! DeBeers sorts rough diamonds into over a thousand different categories. There are many degrees within grades. Some times a good SI1 might even face cleaner than a low VS2!

### #14 CALL THE WEBSITE WITH THE CUSTOMER

There's a reason those diamonds are sold SIGHT -UNSEEN. They're generally problem stones that can't sell in person. Jeweler Zach Larson will call the website while the customer is IN HIS STORE and ask if the diamond is hazy or has a black spot. Most of the time the internet site cannot, or will not, answer that question.

### #15 KNOWLEDGE

Most clients are seeking advice about their Jewelry and you get none of that on the internet.

*Aleah wants to help YOU sell more jewelry! Sign up for her weekly sales tips by emailing her at [Aleah@OlympianDiamonds.com](mailto:Aleah@OlympianDiamonds.com), or join her Facebook group [Jewelers Helping Jewelers](#). Aleah is a 5th generation retail jeweler and a 3rd generation GIA Gemologist turned loose diamond wholesaler. She never lost her love for the retail jeweler and will bend over backwards to help you sparkle.*

# True Texas Everyday Business Stories

By: Lucinda Rogers

SHARE WITH US:

Have you every hired someone like this?

Whenever we hire a new sales associate, I usually wait for about one month before showing the locations of our silent alarm buttons. On this particular employee, I waited several months because I didn't know how long the employee would "last". I finally decided to show the employee where the buttons were located. I gave specific instructions as to when they should be pushed and applicable company policies. THE NEXT DAY, I was working at my desk when the telephone rang, I answered. "This is the Police Department and we have your business surrounded, front door and back door. We received a silent alarm and responded. Is everyone okay?" I answered, "Yes officer, we are all fine." My young employee then spoke up and asked, "Is that the Police? I may know why they are calling." I told the officer that one of my employees might know why they had been called. The employee proceeded to tell me that he/she had pushed a button because they didn't know what it was for (the same employee that I had instructed the DAY BEFORE!!!!) I explained to the Police what was occurring

and they required that I come out of my store with my hands elevated and showing my Driver's License.

I didn't laugh at the time, but in retrospect, I wonder how do people of the above caliber proceed in life? Now, I look back and laugh!

Are you finding it harder and harder to find Intelligent Employees?

Please share with us any relevant stories that we could all relate to! I'm certain that I can't be the only one that has experienced: True Texas Everyday Business Stories. Please send to [VicePresident@texasjewelers.org](mailto:VicePresident@texasjewelers.org)

Lucinda Rogers

Gold N Carats Jewelers - Irving, Tx

Past President - TJA



## Houston Precious Metals



*Buyers & Sellers of*  
*Gold*  
*Silver*  
*Platinum*  
*Diamonds*  
*Coins & Currency*  
*Watches*  
*Flatware*  
*Holloware*  
*Estate Jewelry*  
*Silver Scrap Jewelry!*



Est. 1978

*Smelting & Refining*  
*Gold, Silver, Platinum*  
*Scrap, Sweeps,*  
*Dental, Industrial*

*Independent*  
*Fire Assay*

*If its Precious,*  
*We Buy it!*

**713-228-3931**

**909 Chartres St**  
**Houston, Texas 77003**





# Texas Jewelers Association

611 Congress Avenue  
Austin TX 78701  
[www.TexasJewelers.org](http://www.TexasJewelers.org)

## Business Information

New member       Membership renewal       Associate new member       Associate renewal

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City / State / Zip: \_\_\_\_\_

Business phone: \_\_\_\_\_ Business fax: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

Contact name: \_\_\_\_\_ Title: \_\_\_\_\_

## Type of Business (Please check all that apply)

Retail       Jewelry Store       Leased Department       Traveling Sales Person  
 Supplier       Manufacturer       Friend of the Industry       Other \_\_\_\_\_

JBT # \_\_\_\_\_ OCCC PMR # \_\_\_\_\_

Total number of outlets \_\_\_\_\_ x \$50 = Subtotal \$ \_\_\_\_\_

(Attach a list of the outlets with complete addresses & phone numbers)

Year established: \_\_\_\_\_ Do you collect sales/use tax? \_\_\_\_\_ Tax ID Number: \_\_\_\_\_

## List Two Industry References (names, addresses & phone numbers)

1) \_\_\_\_\_  
\_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_

2) \_\_\_\_\_  
\_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_

I will abide by the TJA Code of Ethics & Standards of Professional Conduct

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Annual Membership Dues for Associate

\$95 + \$ \_\_\_\_\_ = Total \$ \_\_\_\_\_

### Annual Membership Dues

\$135 + \$ \_\_\_\_\_ = Total \$ \_\_\_\_\_

### Would you like to pay by credit card

Name \_\_\_\_\_

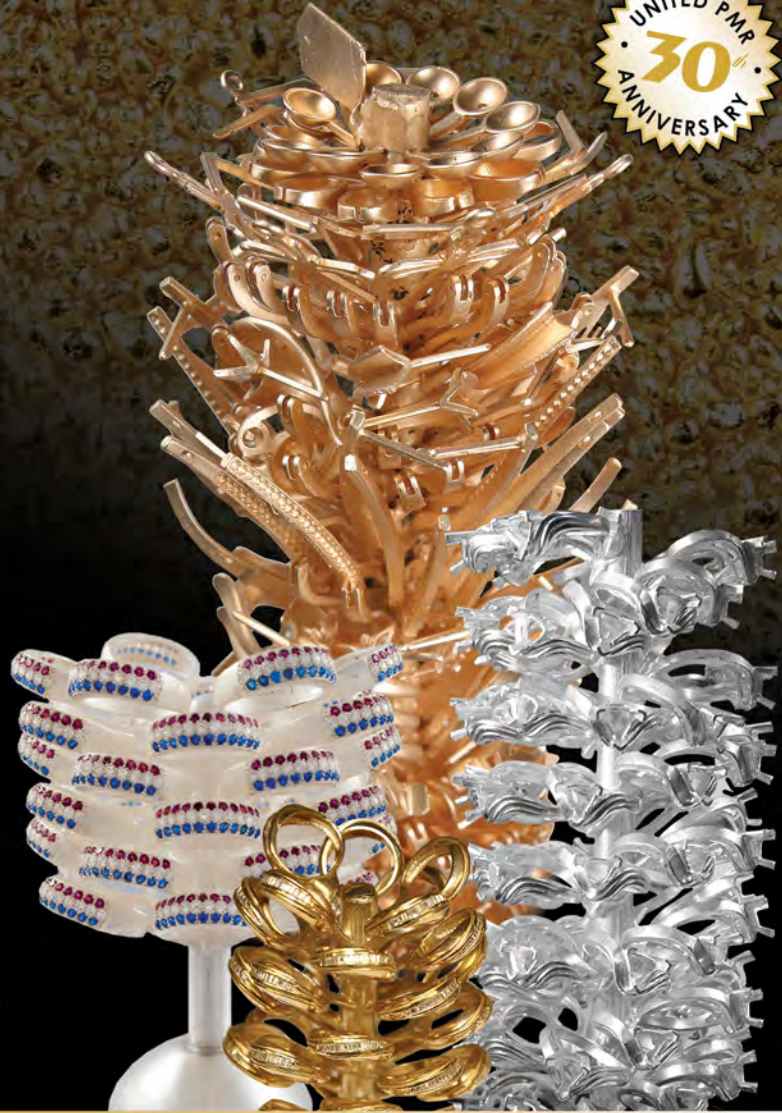
Number \_\_\_\_\_

Expiration \_\_\_\_\_ CVV \_\_\_\_\_

## Payment Information (Annual year starts on join date)

My check is enclosed, payable to Texas Jewelers Association  
 Please invoice me by email at \_\_\_\_\_

# Quality Alloys for Casting & Fabrication...



*Financial strength and stability since 1988...*

MASTER ALLOYS • GRAINS • SOLDERS • WIRE • SHEET • TUBE • GOLD BULLION • SILVER BULLION



**BRASS & BRONZE ALLOYS FOR SAMPLE LINES & COSTUME JEWELRY**



**KARATED GRAIN ALSO AVAILABLE**

GOLD • SILVER • PLATINUM • PALLADIUM • REFINING • BENCH/FLOOR SWEEPS  
CRUCIBLES & SLAG • FILINGS/GRINDINGS • TOOLS • KARATED/DENTAL SCRAP • CARPET • STONE REMOVAL

**United**  
PRECIOUS METAL REFINING, INC.

800.999.FINE  
www.UnitedPMR.com

Certified as Environmentally & Ethically Responsible

