

AGTA  
MEMBER  
HANDBOOK

**AGTA**

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AMERICAN GEM TRADE ASSOCIATION

THE AUTHORITY IN COLOR™

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## FORWARD

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**THE AMERICAN GEM TRADE ASSOCIATION** is active in many areas and many ways, all aimed at fulfilling its mission of promoting the stability and integrity of the natural colored gemstone and Cultured Pearl industries. The Association also includes more than 1,000 Members with widely varying needs and interests. This Handbook was developed to help all AGTA Members understand their Association — what it does and how it works, the benefits it offers and the responsibilities it conveys.

The AGTA Member's Handbook is divided into seven main sections:

- Mission and Objectives
- History of the AGTA
- Activities and Services
- Structure and Procedures
- Membership
- Ethical Guidelines for Members
- AGTA Code of Ethics and Principles of Fair Business Practices

The first section identifies key elements of the AGTA's guiding vision, while the last two represent the foundation on which the Association is built. The sections in between describe how the Association began and grew, the things it is currently doing, how it functions as an organization, the process of becoming a Member and the standards that all Members are expected to uphold. Thus, the Handbook provides a complete overview of what it means to be a Member of the American Gem Trade Association.

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## MISSION AND OBJECTIVES

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### MISSION STATEMENT

The American Gem Trade Association (AGTA) is an association of United States and Canadian trade professionals dedicated to promoting the long-term stability and integrity of the natural colored gemstone and Cultured Pearl industries. The Association pursues its goals through the combined use of educational programs, publicity, industry events, government and industry relations, and printed materials for both the trade and consumer. The AGTA is well-known in the gemstone and jewelry industries for maintaining the highest ethical standards.

### OBJECTIVES

The AGTA's objectives are:

- To represent and further the interests of the natural colored gemstone and Cultured Pearl industries in the United States and Canada.
- To promote, maintain, and perpetuate the highest ethical standards among the Members of the AGTA and within the natural colored gemstone and Culture Pearl industries.
- To protect the natural colored gemstone and Cultured Pearl industries, related industries, and ultimately the consumer from fraud, abuse, misrepresentation, and deceptive advertising related to natural colored gemstones.
- To create a greater awareness and knowledge of colored gemstones and Culture Pearls and act as a source of information for the jewelry trade to disseminate to the consumer.
- To educate these industries, related industries, and the consumer about natural colored gemstones and Cultured Pearls.
- To assist the consumer in identifying dealers of integrity in the natural colored gemstone and Cultured Pearl industries.
- To assist the natural colored gemstone and Cultured Pearl industries in identifying dealers of integrity in the wholesale colored gemstone marketplace.
- To establish closer communication and information sharing between the AGTA and all segments of the jewelry trade and related industries.

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# HISTORY OF THE AGTA

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**THE AMERICAN GEM TRADE ASSOCIATION** was formed by a group of successful colored gemstone wholesalers who came together in Tucson, Arizona, in 1981. At the time, Tucson was home to several popular gemstone and mineral shows. All of them were open to the general public, however, and they offered a broad mix of products — everything from rocks, fossils and glass beads to rare crystals and fine gemstones.

The Association's Charter Members wanted to organize a new show for professionals only, devoted exclusively to natural colored gemstones and Cultured Pearls. They felt this would allow them to reach their most important customers — retail jewelers — more effectively. They also believed it could help the retailers take advantage of interest in natural colored gemstones, which was then dawning among customers in the United States.

From the first, AGTA Members envisioned much more than just a show. They wanted to foster ethics and knowledge in a marketplace troubled by complex issues. They hoped to create a voice that could speak for the American colored gemstone sector to foreign suppliers, the rest of the jewelry industry and a wider audience that included government and consumers. Most of all, the men and women who founded the AGTA dreamed of transforming their ancient trade into a dynamic modern industry.

The time was right for the new organization, and though success took a great deal of work, it came quickly. In a brief period more than 150 Members joined, representing top dealers across the United States and Canada. The next year (1982), the AGTA held its first show in Tucson. Soon after, it established ethical guidelines for Members and began an annual competition in gemstone jewelry design. By the end of the decade, the Association was working with industry groups and government agencies on a variety of issues. It had also expanded its membership to include jewelry retailers, designers, manufacturers and other professionals.

Over the years, the AGTA has continued to grow in ways that were originally envisioned by its founders — and in new ones as well. Among the Association's most important achievements was opening the AGTA Gemological Testing Center in the late 1990s. This state-of-the-art facility conducts advanced research and provides essential services that make it possible to buy and sell natural colored gemstones and Cultured Pearls with confidence.

Since 2000, the Association has directed increasing amounts of energy toward consumers. Centered on the theme “Add More Color to Your Life,” this effort aims at building desire for natural colored gemstones and Cultured Pearls by linking timeless beauty and deep emotions with the current appeal of fashion and pop culture. To complement its consumer outreach, the Association has developed a strong program of education and marketing support for professionals.

Today the American Gem Trade Association and its Members are active in all areas, from mines and research labs to wholesale offices, design studios and retail showrooms. As a result, the AGTA is recognized as the true voice of the natural colored gemstone and Cultured Pearl industries. That voice is also heard and respected around the world.

## HIGHLIGHTS OF THE AGTA'S FIRST 20 YEARS:

- 1981** The American Gem Trade Association was founded. The Association now has more than 1,000 Members across the United States and Canada.
- 1982** First AGTA show in Tucson. Today AGTA GemFair™ Tucson is the world's most important annual marketplace for natural colored gemstones, Cultured Pearls and designer jewelry.
- 1983** The AGTA Code of Ethics and Principles of Fair Business Practices was established. The Code sets high standards of professional conduct for the colored gemstone industry.
- 1984** First AGTA Spectrum Awards™ competition. This has become the industry's most prestigious contest for gemstone jewelry design.

**1985** First edition of the Gemstone Enhancement Manual published. Now entitled *Gemstone Enhancements — What You Should Know*, which is a valuable reference and communication tool for the gemstone and jewelry industries.

#### LATE

**1980s** AGTA worked with US government agencies to enforce regulations on the import and sale of irradiated blue topaz. (At the time, some material posed a health threat due to radioactivity.)

With other industry groups, AGTA lobbied Congress to repeal the luxury tax on jewelry and standardize Uniform Commercial Code rules governing memorandum transactions.

AGTA expanded to admit jewelry designers, manufacturers, retailers, and other professionals as Affiliate Members

**1991** First AGTA Cutting Edge Awards competition. Now part of the AGTA Spectrum Awards, this contest honors excellence and creativity in fashioning unset natural colored gemstone and Cultured Pearls.

**1995** AGTA advised the Federal Trade Commission on updating its rules concerning natural colored gemstones and Cultured Pearls.

**1998** AGTA Gemological Testing Center opened. The Center quickly became the natural colored gemstone industry's premier independent laboratory.

**2001** AGTA expanded to admit Students as Affiliate Members to encourage industry students to continue their career in the world of colored gemstones and Cultured Pearl.

**2000** The AGTA again advised the FTC on updating its rules on natural colored gemstones.

**2002** Following the terrorist attacks of September 11, 2001, there were false reports that al-Qaida was involved in the tanzanite trade. AGTA met with key organizations and the government of Tanzania and drafted the Tanzanite Protocols. This led to a warranty system which now guarantees that tanzanite flows through legal channels all the way from the mine to the final consumer.

**2002** The AGTA assisted the US Treasury Department in making rules that protect the country through the US PATRIOT ACT without hurting legitimate business.

**2003** The AGTA hosted an international Corundum Conference to examine the changing market for rubies and sapphires affected by changes in supply and the use of sophisticated new treatments. The result was renewed confidence in some of the gemstone trade's most important products.

**2004** AGTA launches the Add More Color To Your Life campaign. This consumer directed campaign focuses on a series of emotional messages in which colored gemstones and Cultured Pearls play an integral part.

**2006** AGTA Celebrates their 25th Anniversary — Excellence Since 1981.

The Association's most recent accomplishments and current projects are discussed in the next section of this Handbook — Activities and Services.

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## ACTIVITIES AND SERVICES

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The AGTA fulfills its mission and works for the good of its Members through a wide range of activities and services. This section presents an overview of all the things the Association is currently doing. For complete details and the most up-to-date information, please contact the Association's headquarters or visit its trade website at [www.agta.org](http://www.agta.org).

### INDUSTRY LEADERSHIP

In today's complex world — where business, science, politics and social issues often clash — the AGTA's most important role is providing leadership for the gemstone industry. The Association does this in a number of different ways. It produces trade shows and education programs, encourages creative competition, supports the marketing efforts of professionals, builds demand among consumers, and operates one of the world's foremost gemological laboratories.

Beyond all of these vital functions, the AGTA represents the colored gemstone and Cultured Pearl trade to the rest of the jewelry industry, the news media, government agencies and international organizations. This frequently involves helping outsiders understand how the trade operates and how it can participate in solving large-scale problems. The Association also helps those inside the trade cope successfully with changing times and conditions.

Examples of AGTA leadership include:

- **AGTA Code of Ethics** — This was one of the first standards of professional conduct established in the colored gemstone industry, and it is still among the highest. The Code ensures that Association Members can rightfully earn the respect and confidence of the jewelry industry and consuming public.

- **FTC Guides** — The US Federal Trade Commission regulates commerce in the American marketplace. Its official guidelines set many legal standards for the gemstone industry. For more than a decade the AGTA has advised the FTC on updating and improving its guides concerning gemstone enhancement disclosure and other areas related to colored gemstones and Cultured Pearls.
- **US PATRIOT ACT** — This legislation was passed soon after September 11. Aimed at preventing further attacks on American soil, it includes anti-money-laundering provisions that apply to the colored gemstone and Cultured Pearl industries. The AGTA assisted the US Treasury Department in making rules that protect the country without hurting legitimate business.
- **Corundum Conference** — In recent years the market for rubies and sapphires has been affected by changes in supply and the use of sophisticated new treatments. The AGTA hosted an international conference in 2003 to examine issues created by these developments. The result was renewed confidence in some of the gemstone trade's most important products.
- **GIA Research Endowment** — In 2004, the AGTA donated \$125,000 to the Gemological Institute of America's Endowment Fund for Colored Gemstone Research. This marked the latest chapter in a long history of collaboration between the AGTA and GIA. The donation will be invested to earn money for research the Association requests. Thus, it will help the gemstone industry continue to meet challenges in the years ahead.
- **JVC Anti-Money Laundering / US PATRIOT ACT Compliance** — In 2006, the AGTA formed a special partnership with the Jewelers Vigilance Committee (JVC) to offer a special rate to all AGTA members on the new JVC Anti-Money Laundering/US PATRIOT ACT compliance kit.

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## AGTA GEMFAIR™ TUCSON AND OTHER TRADE SHOWS

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When the AGTA was first formed, one of the main priorities was creating venues where Members could do business — and that is still true today. To meet this goal the AGTA produces or participates in four major trade shows every year.

The biggest event is AGTA GemFair™ Tucson. This show began in 1982, and it is now the world's most important annual marketplace for natural colored gemstones, Cultured Pearls and designer jewelry.

The show is held in Tucson, Arizona, in early February. It runs for almost a week, and brings together more than 10,000 gemstone and jewelry professionals from around the world. Admission is limited to the trade only and every sector is represented. There are hundreds of exhibitors and thousands of buyers, including retail jewelers, wholesale dealers, jewelry manufacturers, designers, estate and antique dealers and colored diamond dealers. Equipment suppliers, service providers, educators, researchers, journalists and many other specialists also attend.

AGTA GemFair™ Tucson offers an unequalled selection of natural colored gemstones and Cultured Pearls, designer creations, manufacturers' gemstone jewelry lines, gemstone objects of art, estate jewelry and fancy colored diamonds. Also available is a wide range of gemstone and jewelry tools, equipment and supplies. The AGTA Gemological Testing Center operates a Mobile Laboratory at the show. It performs gemstone identifications on-site, so buyers can make their purchases with complete confidence.

Other Tucson highlights include:

- **Education** — There is always a solid lineup of seminars and workshops. These cover topics such as new gemstones, treatments and synthetics; innovative approaches to selling and marketing; world events that are affecting the gemstone industry; and fashion trends that represent business opportunities.

- **Membership Meeting** — One of the two yearly general meetings of AGTA Members occurs in Tucson. (The other one is at the JCK Show — Las Vegas.) Here Members discuss issues, make decisions, review the Association's achievements and hear plans for the future.
- **Special Events** — Two highlights of the annual Tucson calendar are the AGTA Coyote Classic Golf Tournament and the AGTA Dinner Dance and Awards Gala. These popular events give show goers a chance to relax, have fun and socialize. Other industry groups also hold gatherings at the AGTA GemFair™.
- **Networking** — Meeting new people and building established relationships are among the most important activities at Tucson. With the number and variety of professionals who attend the show, and all the different things that go on, networking opportunities are almost unlimited.
- **Trend Spotting** — This is another strategic show activity. Newly discovered colored gemstones often make their world debuts at AGTA GemFair™ Tucson, and each year's "in style" gemstones and jewelry designs appear in Tucson before they are seen in the mainstream fashion media.

In addition to its Tucson event, the Association produces the AGTA GemFair™ at the JCK Show — Las Vegas. It also participates in MJSA's Expo New York, and the JA Summer Show. The AGTA's programs at these shows are smaller than at Tucson, but buyers can find a complete selection of natural colored gemstones and Cultured Pearls.

The AGTA announces its show activities in the trade press and its own publications. It also mails schedules and other information directly to Members.

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# THE AGTA SPECTRUM AWARDS™

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A key function of the AGTA is encouraging creativity in gemstone jewelry design and the lapidary arts. One of the main ways the Association does this is through the AGTA Spectrum Awards™.

The awards are part of an annual competition that was first held in 1984. Since then it has become the industry's most prestigious contest. Every year it presents a challenge to reach new heights in revealing and celebrating the beauty of gemstones.

The competition has two main divisions:

- **The AGTA Spectrum Awards™** honor creative use of natural colored gemstones and Cultured Pearls in original jewelry designs.
- **The AGTA Cutting Edge Awards** honor excellence and creativity in fashioning unset natural colored gems and Cultured Pearls, including faceted gemstones, carvings and objects of art.

Anyone who lives in the United States or Canada may enter. It is not necessary to be an AGTA Member. The entry deadline for each year's competition is in mid-September of the year before. (For example, the deadline for the 2008 competition was in September 2007.) All entries must have been produced within 12 months prior to the deadline, and cannot have been previously entered in a Spectrum Competition. They must also be finished pieces. No drawings, computer models, etc are accepted.

Judging occurs during the month of October. At this time the Association also hosts a publicity event to give top fashion editors, stylists, costume designers and others a preview of the AGTA Spectrum Awards Collection. The awards are handed out in February at the AGTA GemFair™ Dinner Dance and Awards Gala in Tucson. Winning pieces are then featured in leading trade magazines over the following months.

## SPECTRUM AWARD CATEGORIES AND JUDGING

Original jewelry designs may be entered in the following categories:

- **Bridal**
- **Classical**
- **Day**
- **Evening**
- **Men's**

Entries in each category are judged on the basis of overall beauty and wearability, innovative design, effective use of materials, quality of gemstones, quality of workmanship, broad-based consumer appeal and potential to generate positive publicity for natural colored gemstones.

There are also two special categories:

- **Manufacturing Honors** recognize outstanding designs that are suitable for manufacturing in production quantities. All jewelry that qualifies for judging in the AGTA Spectrum Awards™ competition will automatically be qualified for "Manufacturing Honors" judging.
- **Fashion Forward Honors** recognizes the outstanding use of colored gemstones and/or Cultured Pearl beads in artful, trend-setting jewelry. All jewelry that qualifies for judging in the AGTA Spectrum Awards™ competition will automatically be qualified for "Fashion Forward Honors" judging.



## CUTTING EDGE AWARD CATEGORIES AND JUDGING

Lapidary creations may be entered in the following categories:

- **Open Category** — This includes three groups of gemstones that are judged separately:
  - Classic Gemstones** — Rubies, sapphires, and emeralds with traditional cutting techniques.
  - Other Faceted Gemstones** — Gemstones other than ruby, sapphire, or emerald, faceted with traditional cutting techniques.
  - Phenomenal Gemstones** — Star gemstones, cat's-eyes, opals, etc., with traditional cutting techniques.
- **Pairs and Suites** — Two or more gemstones to be judged as a set.
- **Faceting** — Gemstones with innovative flat faceting.
- **Carving** — Carvings of any natural gemstone material in any style.
- **Combination** — Gemstone designs that incorporate two or more lapidary techniques. (This category includes gemstones that have concave faceting.)
- **Objects of Art** — Carvings, bowls, sculpture, intarsia, etc., of natural gemstone materials not intended to be worn. These may have metal, wood or other non-gemstone materials as bases, frames, or decorative components.

Entries in the Open category and the Pairs and Suites category may be created anywhere in the world. However, they must be submitted by companies in either the United States or Canada. Entries in the other categories must be created and submitted by United States and/or Canadian lapidaries.

All entries are judged on the basis of overall beauty, the quality and technique of lapidary work and the quality and rarity of the gemstone material. For Faceting, Carving, Combination and Objects of Art, an added judging factor is originality.

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## PROMOTION AND MARKETING SUPPORT

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Many of the AGTA's activities promote consumer demand for natural colored gemstones and Cultured Pearls. Others help Association Members market their products. Those specifically focused on promotion and marketing support include:

- **Consumer and Trade Websites**
- **Print Advertising**
- **Merchandising Materials**
- **Show and Source Directories**

### THE “ADD MORE COLOR TO YOUR LIFE™” CAMPAIGN

“Add More Color to Your Life” is the theme of all AGTA advertising and promotion that's intended for consumers. It is the basis of a long-range campaign that focuses on the emotional messages connected with natural colored gemstones and Cultured Pearls. It is also part of a larger program — the AGTA Color Seal of Confidence — that will channel more and more of the Association's efforts toward consumers in the years ahead. The program's goal is to build consumers' confidence in purchasing colored gemstones and Cultured Pearls, and then to direct them to jewelers who are ethical and educated — especially AGTA Retail Members.

The “Add More Color to Your Life” theme is featured in the Association's consumer website, print advertising and merchandising materials.

### TRADE AND CONSUMER WEBSITES

The AGTA maintains two websites:

- **www.agta.org** is primarily for AGTA Members and other professionals. This site gives complete details about the Association and the AGTA Gemological Testing Center. It also includes breaking news, public relations, tradeshow information and activities, products, services and membership topics. There is a wide range

of information that can be used to promote or sell natural colored gemstones and Cultured Pearls. Most AGTA products can be ordered or downloaded from this website. Membership applications and AGTA Spectrum Awards entry forms are also available on this site. The details concerning the GTC include a complete range of services, including gemstone identification, origin determination and pearl identification. It also includes breaking news, fee structure and downloads.

- [www.addmorecolortoyourlife.com](http://www.addmorecolortoyourlife.com) is designed especially for consumers. This site provides a fun, interactive and informative resource for people who are interested in learning more about natural colored gemstones, Cultured Pearls, and designer jewelry. Topics include gemstone jewelry fashion, celebrity-inspired trends and practical buying tips. There are profiles of popular gemstones, plus essential information on enhancements and gemstone care. This website presents consumer-oriented background on the AGTA and AGTA Gemological Testing Center. It also has a Retail and Appraiser Locator section where visitors can find an AGTA Retail or Appraiser Member in their area.

## PRINT ADVERTISING

The AGTA's print advertising takes two main forms with complementary objectives. On one hand, the Association advertises in popular consumer magazines to create or increase the desire for natural colored gemstones and Cultured Pearls. Consumer-directed ads spotlight beauty and emotional appeal in various ways, while always sending the message: "Add More Color to Your Life."

The Association also advertises in leading trade publications. This reminds professionals that natural colored gemstones and Cultured Pearls are vital to today's jewelry industry. Annual ad campaigns heighten interest and participation in events such as the AGTA GemFairs and Spectrum Awards. At other times of the year "Add More Color to Your Life" inserts cover a number of topics, including seasonal color palettes and gemstones to go with them, popular gemstone jewelry styles, celebrities who are wearing colored gemstones and current details about the Association's activities, services and products.

## MERCHANDISING MATERIALS

The AGTA offers a wide selection of merchandising support materials that Retail Members and other professionals can use to increase their sales of natural colored gemstones and Cultured Pearls. A current catalog is available on [www.agta.org](http://www.agta.org). Members receive preferred pricing on all purchases.

- **Printed Materials** — These include posters, brochures and gemcards. The posters and gemcards display spectacular images of gemstones. Brochures combine beautiful photos with interesting facts about popular colored gemstones and Cultured Pearls. Printed materials make an impressive in-store selling tool. *Gemstone Enhancements/What You Should Know* is a wonderful brochure that provides informational content and pictures of each gemstone. This is a great tool for use with customers because it is written so the gemstone and jewelry industry novice can understand.

Surveys show that consumers want information about colored gemstones — preferably in printed form — and AGTA merchandising materials are designed to fill that need. They can help jewelers create, build and sustain the desire to own or give colored gemstones and Cultured Pearls.

- **Photo Collection** — The AGTA has assembled a large collection of high-resolution digital photo images that jewelers can use in their own advertising, websites or store displays.

**The AGTA Birthstone Collection** — This set includes Garnet (January), Amethyst (February), Aquamarine (March), Emerald (May), Cultured Pearl (June), Ruby (July), Peridot (August), Sapphire (September), Opal (October), Tourmaline (October), Topaz (November), Citrine (November), Zircon (December), Turquoise (December), and Tanzanite (December).

**The AGTA Stock Photo Library** — More than 300 images of various colored gemstone species and varieties, several types of Cultured Pearls and designer jewelry. In addition to gemstones that are familiar to most consumers, the library includes others such as iolite, kunzite, morganite, spinel and sunstone.

The birthstone photos are sold as a set. Stock photos are selected and priced individually, and they are licensed for one year. All photo images are provided on CD. All images are royalty-free, but they cannot be used in books or other items created for resale.

## SHOW AND SOURCE DIRECTORIES

The Association publishes two directories:

- **The AGTA Show Directory** is the official directory for AGTA GemFair™ Tucson, and it is distributed free at the show. This makes it easy for buyers to find Association Members who exhibit at Tucson. It also helps to build business throughout the year, because many buyers keep their copies for future reference.
- **The AGTA Source Directory** is a complete listing of Association Members and the products and services they offer. This publication is distributed to more than 25,000 jewelry businesses across the United States and Canada. Available in print and electronic versions, it can also be downloaded from [www.agta.org](http://www.agta.org). The print version is compiled and published every two years. The electronic version is updated quarterly.

The Source Directory is a reference as well as a marketing tool and buying guide. It includes:

**General Information** — Birthstones, anniversary gems, gemstones by color, enhancements, and more.

**Member Listings** — Alphabetical listings of Members (wholesale colored gemstone or Cultured Pearl dealers) and Affiliate Members (designers, manufacturers, retailers, etc.). Each listing has complete contact information, including address, phone and fax numbers, e-mail and website.

**Gemstones, Products, and Services** — Alphabetical listings of gemstones and industry-related products and services, along with companies from which they can be purchased.

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## INFORMATION AND EDUCATION

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In one way or another, most AGTA activities supply information and education to consumers or professionals. There is a great deal of information on the Association's websites. Every year, AGTA GemFair™ Tucson offers a wide range of seminars and workshops. The Association also conducts education programs for the American Gem Society's annual Conclave and the AGTA GemFair™ at the JCK Show — Las Vegas.

Additionally, the AGTA produces and distributes:

- **NewsFlash** — This is the Association's monthly e-mail bulletin for Members. NewsFlash reports on the latest industry developments, gemstone and jewelry fashions, upcoming tradeshows, AGTA activities and other current topics.
- **Prism** — The quarterly printed newsletter for Members. This provides detailed coverage of Association news and activities. An annual highlight is the full-color photo spread of AGTA Spectrum Awards™ winners. Prism also carries special reports on new gemstones, sources, treatments, etc from the AGTA Gemological Testing Center.
- **Gemstone Information Manual** — This important publication is available to all gemstone and jewelry professionals. It outlines the known enhancements and treatments for more than 35 gemstones. Each entry lists methods, the frequency with which they are used, stability, level of care required and special advice. The manual also include disclosure requirements, codes and organizations that can provide helpful information. The manual also includes:

Disclosure requirements for natural gemstones.

Codes that appear on tag and receipts from suppliers.

Recommendations for disclosing enhancements and treatments.

Organizations that can provide information or advice on specific questions.

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## AGTA GEMOLOGICAL TESTING CENTER

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The AGTA Gemological Testing Center is the natural colored gemstone industry's premier independent laboratory. It conducts research and provides essential services for gemstone and pearl identification. The GTC is equipped with the most advanced gemstone-testing instruments, and is staffed by some of the world's top gemologists.

Confidence in making purchase decisions is critical – for both professionals and consumers — and that is what the AGTA Gemological Testing Center helps to create. The GTC's mission is to protect the integrity of the gemstone market, and also to protect the gemstone consumer. Its primary objectives are:

- To identify the nature of all materials that are likely to be used as gemstones, and report upon them in a clear and scientifically precise manner for the public and the jewelry trade.
- To produce reports on these materials in a manner that assists both the trade and the public in assessing a potential purchase.
- To research all aspects of gemstone materials in order for their characteristics to be fully understood.

Located in New York City, the AGTA Gemological Testing Center opened in 1998. It achieved its current status through a tremendous investment of money, energy and other resources by the AGTA. The Association continues to sponsor research at the GTC, and out of this come services that benefit both the industry and the consuming public. Those services involve five important areas — synthetics, enhancements, origin, pearls and diamond color.

- **Synthetic Stones** — Synthetic versions of many colored gemstones are now being produced, and some are very close to their natural counterparts in appearance and other characteristics. It takes careful examination by an expert to identify these sophisticated synthetics. So, the AGTA Gemological Testing Center makes sure all of its

staff members have the best training, information, equipment and methods. As a result, the GTC can identify every kind of synthetic stone that is available in today's marketplace.

- **Enhanced and Treated Gemstones** — Many colored gemstones are enhanced or treated, and new techniques are continually being developed. For this reason, much of the AGTA Gemological Testing Center's research focuses on understanding and detecting enhancements and treatments. Research findings are quickly applied in practical ways, and that keeps the Center on the leading edge in expertise and service.

Every Identification Report for a colored gemstone has an Enhancement entry. This assures anyone who reads the report that any enhancement or treatment has been properly identified and noted. (If the gemstone has undergone no enhancement, this also is indicated.) The reporting method and terminology are consistent with the AGTA's strict disclosure policy.

There are three additional services related to colored gemstone enhancements and treatments:

**For Rubies**, the GTC quantifies the amount of residue from the heat process, if any is present. This is part of the normal identification service.

**For Emeralds**, the GTC quantifies the amount of clarity-enhancing substances, if any of these are present. This too is part of the normal identification service.

**Also for Emeralds**, the GTC can identify the type of clarity-enhancing substances that are present. This is done upon request.

- **Origin of Ruby, Sapphire, Emerald or Paraiba Tourmaline** — As a special “by request only” service, the GTC can provide an expert opinion concerning the geographic origin (or source) of a Ruby, Sapphire, or Emerald. Origin determination is one of the most advanced areas of gemstone research. It requires knowledge,

experience and careful analysis, combined with an extensive database on gemstones found in deposits around the world. The AGTA Gemological Testing Center is one of the few laboratories that have the resources necessary to offer this service.

- **Pearl Testing** — The GTC can determine whether pearls are natural or cultured, and also whether their color is natural or artificial. In addition, with bead-nucleated Cultured Pearls, the GTC can determine the thickness of the nacre covering
- **Batch Testing** — The GTC is among the few gemstone laboratories that offer separation of natural and synthetic amethysts. In many cases the testing is more expensive than the value of the amethysts themselves. Thus, batch testing is offered for amethysts and other types of gemstones.
- **Padparashda Sapphire Color Analysis** — The GTC can determine if a gemstone falls into the accepted range of Padparadsha through use of controlled lighting conditions to a range of standards, including master gemstones.
- **Diamond Color** — The GTC's expertise in the area of gemstone color, plus its arsenal of advanced testing equipment, also enable it to determine whether diamond color is natural or artificial. This includes deciding whether the tint of a colored diamond is natural or due to artificial irradiation, and whether a colorless or near-colorless diamond has undergone High Pressure High Temperature (HPHT) treatment.

For current fees and other details about lab services, please contact the GTC or visit the [www.agta-gtc.org](http://www.agta-gtc.org). Contact information appears at the beginning of this Handbook.

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## MEMBERSHIP

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AGTA Members come from all areas of the gemstone and jewelry industry. They include wholesalers, retailers, designers, manufacturers, and many other kinds of professionals. Working together, the Association and its Members help the entire industry grow and prosper. At the same time, they protect the public and build consumer appreciation for the beauty, value and meaning of gemstones.

This section explains the classifications of AGTA membership, the process of becoming a Member and how membership may come to an end. It also summarizes the rights and benefits of being a Member. Most of this information is based on Article III of the AGTA's Constitution.

### MEMBERSHIP CLASSIFICATIONS

The main classifications of AGTA membership are Charter Member, Firm Member, Affiliate Member and Honorary Member.

- **Charter Member** — This is a Member who was accepted at the Association's first organizational meetings, which were held in Tucson, Arizona, in February 1981.
- **Firm Member** — A Member who wholesales unmounted natural colored gemstones or Cultured Pearls. Firm Members must have been employed in the industry for at least five years in the United States or Canada, and they must have maintained a permanent office of their own in one of those countries for the last two years before they apply for membership. During that time at least half of their business must have been in unset natural colored gemstones or Cultured Pearls, and they must have been operating at the wholesale level.
- **Affiliate Member** — A Member who is professionally connected with the natural colored gemstone or Cultured Pearl industry in some way other than wholesaling, or who has not met all of the requirements for becoming a Firm Member. Affiliate Members

requirements for becoming a Firm Member. Affiliate Members must have been engaged in their industry-related business in the United States or Canada for the last two years before they apply for membership.

Affiliate Member categories are:

**Retail Affiliate** — A jewelry retailer who sells natural colored gemstones or Cultured Pearls.

**Manufacturing Affiliate** — A designer or manufacturer who produces jewelry using natural colored gemstones or Cultured Pearls.

**Associated Industry Professional Affiliate** — Gemologists, gemological laboratories, appraisers, suppliers, and others whose work involves natural colored gemstones or Cultured Pearls.

**Student Affiliate** — A professional engaged in a gemology study program that covers natural colored gemstones and Cultured Pearls. After becoming a Student Affiliate Member, the person has three years to become a Firm or Affiliate Member.

- **Honorary Member** — A person who has made a meaningful contribution to the growth or improvement of the natural colored gemstone industry.

Charter Members, Firm Members and most types of Affiliate Members can be people or companies. In a company, one person is designated as the Member of Record for voting and other purposes.

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## BECOMING A MEMBER

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The AGTA's procedures for adding new Members are designed to be simple and fair, while ensuring that all Members can contribute to the success of the Association and the industry it serves.

### APPLYING FOR FIRM OR AFFILIATE MEMBERSHIP

The process of becoming a Firm or Affiliate Member begins with submitting a Membership Application form, required documentation, and payment of an application fee and the dues for one year. Application forms can be obtained from the Association headquarters, or downloaded from the Membership section of the AGTA's trade website at [www.agta.org](http://www.agta.org). The forms ask for business information and references. They identify the documentation required (business license, proof of employment, etc) and also list the current application fee and annual dues.

Once your references have been confirmed and your company information is complete, your company will be considered for membership. Decisions are not based on race, creed, sex, color, or religious belief.

The applicant is notified in writing. If the application is denied the dues are refunded.

### SELECTING HONORARY MEMBERS

Officers, Directors, and members of Standing Committees can name candidates for Honorary Membership. The Board selects new Honorary Members by voting. Only one or two new Honorary Members are selected each year.

### MEMBERSHIP DUES

Annual dues for Firm and Affiliate Members are set by the Board of Directors. Near the end of each year, the Association invoices Members for the next year's dues. The dues are payable on January 1. Members who do not pay their dues by February 1 are terminated, and can reapply for Membership only after they pay the dues and any other fees they owe the Association.

New Members who are accepted after June 30, pay 1/2 of the dues for that year.

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## RIGHTS AND BENEFITS OF MEMBERSHIP

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AGTA membership gives a person or company an important role in helping the gemstone and jewelry industry grow. It enhances trust and confidence among a Member's customers. It also offers each Member a valuable network of fellow professionals.

Membership brings a number of specific rights and benefits:

- **Secure Status** — After joining AGTA, a Member's basic rights and privileges are not affected by future changes that may be made in the Association's Constitution.
- **Voting** — Firm and Charter Members can vote in elections and similar procedures. Affiliate and Honorary Members can not. However, any Member (Firm or Affiliate) who serves on a Standing Committee can vote in that Committee.
- **Products and Services** — Firm and Affiliate Members receive:
  - The monthly NewsFlash e-mail bulletin.
  - The quarterly Prism newsletter.
  - Listings in the AGTA Source Directory (printed and electronic).
  - Preferred pricing on AGTA merchandising materials.
  - Preferred pricing for AGTA Gemological Testing Center services.
  - Premium rates on health and benefits programs.
  - Office Depot "Taking Care of Business" business supply discounts.
  - AGTA Member logo usage on business invoices, memos, web etc.
  - Exclusive advertising opportunities.
  - FedEx shipping and FedEx Declared Value Program.

- **Trade Show Participation** — Firm and Affiliate Members may participate in AGTA trade shows in the following ways:

Qualified Firm Members may exhibit at AGTA GemFair™ Tucson and other shows the Association produces or participates.

Qualified Affiliate Members may exhibit in the Affiliate sections of AGTA GemFair™ Tucson.

Qualified Manufacturing Affiliate Members may also exhibit in the AGTA GemFair™ at the JCK Show — Las Vegas.

Information about becoming an exhibitor can be obtained from Association headquarters.

### ENDING MEMBERSHIP

Membership in the AGTA can come to an end in two ways: a Member may resign or be expelled. Membership cannot be transferred from one person or company to another.

- **Resignation** — A Member may resign from the Association by giving 30 days notice in writing. At the end of that time, the membership ends in good standing if all debts to the Association have been paid and there are no unresolved complaints against the Member.
- **Expulsion** — At the recommendation of a Standing Committee or on its own, the Board of Directors can vote to terminate the membership of any Member it considers harmful to the Association. However, expulsion involves a series of steps and safeguards that help to guarantee fairness.

**Notice of Termination** — Written notice of the termination, plus an explanation of why it has been done, must be sent to the Member at least 30 days before the termination is scheduled to take effect. The notice also lists the termination date.

**Request for Hearing** — The Member may request a hearing to contest or discuss the termination. The request must be in writing. It must be sent to the Association President, and it must be received before the date when the termination takes effect.

**Scheduling and Holding the Hearing** — After receiving the request, the President schedules a hearing at the next regular meeting of the Board of Directors. He or she also notifies the Member of the date, time, and place of the hearing. If the Member fails to appear at the hearing, the membership is terminated.

**Retaining Membership** — A Member who requests a hearing retains his or her membership until the matter is resolved by the Board of Directors.

**Financial Obligations** — A Member who's expelled must still pay any dues or other debts owed to the Association.

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## ETHICAL GUIDELINES FOR MEMBERS

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Along with the AGTA's Constitution, the Code of Ethics and Principles of Fair Business Practices provides a foundation for the Association and its Members. When Members join the AGTA they agree to follow the Code, and every year all Members must affirm their commitment.

This section summarizes essential information from the Code. The complete document appears at the end of this Handbook.

### GENERAL GUIDELINES

- AGTA Members must protect the industry and their clients against fraud, misrepresentation and unethical business practices. They must not exaggerate or conceal important information about their products or services. They must also avoid any practice that might damage or discredit the industry. Members must not knowingly aid gemstone fraud. This includes selling products or providing services to those who commit fraud. Instead, Members must help to fight and expose fraud, misrepresentation and other unethical practices.
- Members must follow all Federal Trade Commission rules and Bureau of Standards definitions that apply to the gemstone and jewelry industries.
- Members should not defame, criticize, undermine or take unfair advantage of competitors.
- Members must not misrepresent the nature, authenticity, treatment or origin of their merchandise. They must disclose treatment on all commercial documents at the point of consignment or sale. This includes individual gemstones and also lots. As long as the AGTA Gemstone Information Manual does not contradict Federal Trade Commission rules, disclosures must follow the Manual.



- Members must not use what are known as “sharp practices.” These are business practices that are technically legal, but they are unethical because they tend to deceive customers or suppliers.
- Members may use terms such as “investment gemstone,” “investment grade,” “investment quality,” “museum gemstone,” “museum grade” and “museum quality” when they’re dealing with other professionals at a wholesale level. They must not use such terms with consumers, unless the gemstones they are describing are rare enough and high enough in quality to truly justify the terms.
- Members should not describe gemstones as “semiprecious.”
- Members who sell gemstones to consumers as a financial investment must make it clear that any investment can result in profit or loss, and that there is no organized market through which consumers can easily sell their gemstones. Customers must be allowed to return any gemstones they buy within 30 days. Members must also have customers sign an affidavit stating that they understand they are not guaranteed a profit.
- Members must not deliver a gemstone in a sealed container under a warranty that becomes void if the seal is broken.
- Members must use the terms “gem” and “gemstone” only for materials of natural origin.

Please Note: Article III Section 2B of the AGTA Constitution includes these additional guidelines on terminology:

“Natural” means that the material is found in or on the earth, and it formed completely by nature, without human intervention, except cutting, carving, or polishing. If the material has been treated, it is still considered natural, but the treatment must be disclosed.

“Gemstone” means a naturally occurring mineral that has beauty, rarity and durability. It must also have the chemical composition and physical properties of a recognized mineral species.

In addition to describing mineral gemstones, the term “gem” may be used for the non-minerals amber, coral, jet, natural pearl and naturally occurring glass.

- To describe synthesized materials that have essentially the same physical, chemical and optical properties as natural gemstones, Members must use the word “synthetic” or some other word or phrase that has similar meaning. The word or phrase must be allowed by the Federal Trade Commission. It also must clearly indicate the nature of the product and the fact that it is not a natural gemstone. Acceptable alternatives to “synthetic” are “laboratory grown,” “man-made” and “Chatham-Created.” (However, the last term can only be used for synthetics manufactured by Chatham Created Gems, Inc.) Members must not use the word “faux” or anything similar to describe man-made materials. Members can use the word “simulated” or “imitation” for imitations.
- Members must not use a laboratory to certify their gemstones or an appraiser to value their gemstones if they have a vested interest in that laboratory or appraiser, or if doing so would involve a conflict of interest.
- The Code of Ethics and Principles of Fair Business Practices applies to any company a Member owns or has a vested interest.

## FISCAL GUIDELINES

- Members must make sure that financial obligations and other terms of business transactions are put in writing, and that such written records describe the agreement of all parties who are involved. Each party to an agreement should sign it and receive a copy.
- Members should consider the terms on invoices to be cash on receipt, unless other terms are stated in writing.
- Members must meet all financial obligations on time.
- When shipping or mailing merchandise they do not own, Members must fully insure it.
- When acting as an agent for someone else, a Member cannot accept a commission, rebate or profit on any transaction made for that person, without his or her consent.

## MEMORANDA AND CONSIGNMENTS

- Title to merchandise does not pass on a memorandum until the consignor makes a bill of sale.
- If the consignor demands that merchandise be returned at the end of the time period for a memorandum, the consignee may send full payment or return the merchandise within one business day. Upon receipt of payment, the consignor must issue a bill of sale.
- Members are responsible for merchandise they receive on memorandum.
- When merchandise has been taken on memorandum and then returned, it must be in the same condition and form as when it was received, unless the consignor agrees to any modifications in writing.

- Unless otherwise agreed, memoranda should have a time period of 15 days from the date the merchandise is received. If the consignor has not been contacted, after the time period for a memorandum ends, he or she can invoice the consignee.
- When a Member has merchandise on memorandum, he or she must disclose the status of any sale or pending sale of that merchandise, if the consignor asks.
- Members may file a UCC-1 Financing Statement on merchandise before consigning the merchandise. Members who have received merchandise on consignment, and have been asked to file a UCC-1 before consigning it to someone else, must do so. They must also provide the original consignor with evidence of the filing.

## ADVERTISING GUIDELINES

- In their advertising and promotion, Members must follow the rules established by the Association and the Federal Trade Commission. As long as the Association's rules do not contradict the FTC's, they take priority.
- Firm and Affiliate Members may advertise their membership in the following ways:

Firm Members may use the AGTA logo and the statement "Member American Gem Trade Association" or "Member AGTA."

Affiliate Members may use the AGTA Affiliate logo and the statement "Affiliate Member, American Gem Trade Association" or "Affiliate Member, AGTA."

The logo or membership statement must not be so large that it makes the ad look like it comes from the Association. Specifically, the logo or statement can't be larger or bolder than the advertiser's logo or name.

The logo and statement must also be used in good taste, and not in a way that might imply that the Association endorses the firm or its prices, or will act as a reference for credit or other purposes

- Both Firm and Affiliate Members may use the AGTA slogan “Add More Color to Your Life.”
- The AGTA logo, membership statement, or slogan must not be used in advertising for synthetic or imitation stones.
- Members must not use statements such as “Charter Member,” “Member of the Board of Directors,” or “Chairman, Advertising Committee.” Affiliate Members must not advertise their membership in Standing Committees.

#### USE OF CERTIFICATES AND APPRAISALS

- Members must not issue their own quality certificates or appraisals to promote sales of their own merchandise or the merchandise of firms in which they have an interest.

#### GEMSTONE IDENTIFICATION LABORATORIES AND APPRAISERS

- Laboratory and Appraiser Members must be independent of their customers, and their services must be objective and impartial.
- Laboratory and Appraiser Members must not provide services for gemstones in which they have a vested interest, or if they will profit from the sale of gemstones they are certifying or appraising.
- Laboratory and Appraiser Members must not disclose confidential information about their customers.
- The purpose and function of an appraisal must be indicated in the document’s title. (For example, estate or insurance replacement.) The market level of the value that is given must be also stated. (For example, wholesale or retail.)

- Laboratory and Appraiser Members must give opinions that meet generally accepted standards in their fields. A lab report or appraisal must include the name and address of the company that issues it. Laboratory reports must have the preparer’s name clearly printed or typed next to his or her signature. Appraisals must include and the name and qualifications of the person (or people) who made the evaluation.
- Laboratory or Appraiser Members must not falsely claim gemological or appraisal credentials, or make up titles.
- Members who perform gemological or appraisal services should belong to one or more professional groups in their field.
- Fees for gemological or appraisal services should be on a per-carat, per-piece or per-hour basis. Contingent fees, split fees, kickbacks or percentage-of-value fees are prohibited.
- Members who advertise appraisal services with the intention of making an offer to buy the jewelry or gemstones they appraise must state in their advertisements that they are offering “Appraisals to Buy.” Members who advertise appraisal services must perform complete, written appraisals.

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# THE AGTA CODE OF ETHICS AND PRINCIPLES OF FAIR BUSINESS PRACTICES

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## PREAMBLE

The colored gemstone industry must have the respect and confidence of the public and the jewelry industry. To keep this respect and confidence, American Gem Trade Association Members must maintain the highest possible ethical standards in their business transactions. All AGTA Members must agree to adhere to the ethical standards and principles of this Association and acknowledge the necessity of compliance for the success of our industry and the Association. All Members are expected to maintain the highest possible standards, even in those cases not specifically addressed by this Code of Ethics and Principles of Fair Business Practices. AGTA Members recognize that our industry is dependent for our success on the element of trust.

Members of the American Gem Trade Association will at all times protect the welfare of their clients by pursuing goals in their client's best interest, representing their products in an honest manner, disclosing all necessary and germane information, promoting their products in a positive way, and striving to practice the highest possible degree of professionalism within the industry.

Members will respect and defend the role of the American Gem Trade Association within the jewelry industry. Our high degree of cooperation within the trade will be the foundation for building unity and success.

Whereas,

The American Gem Trade Association is an organization in the marketing of natural colored gemstones, pearls, and Cultured Pearls;

And whereas,

Members of the American Gem Trade Association adhere to the highest standards of professionalism in our industry;

Now, therefore, be it resolved that,

We, the Members of the American Gem Trade Association, signify our bond to these professional standards through adoption and adherence to this Code of Ethics and Principles of Fair Business Practices.

For the purpose of promoting the natural colored gemstone, pearl, and Cultured Pearl industry, maintaining and encouraging technical and professional expertise; and commensurate with individual freedom to conduct business in a fair and equitable manner;

This Code of Ethics and Principles of Fair Business Practices represents the guiding principles that govern the conduct of our individual Members:

## CODE OF ETHICS AND PRINCIPLES OF FAIR BUSINESS PRACTICES

### Section 1: General Guidelines

- A. It is the duty of every AGTA Member to protect the industry and their clients against fraud, misrepresentation, and unethical practices in business transactions and avoid exaggeration or concealment of any pertinent facts. He or she should endeavor to eliminate any practice which could be damaging to the industry or bring discredit to the trade. No Member may willfully aid or abet gemstone fraud, including sales and/or services to the perpetrators. Members must be diligent in combating and exposing gemstone sales fraud, misrepresentation, and sales and/or services to individuals or firms engaged in gemstone investment scams and "boiler-room" operations.
- B. Members must adhere to all Federal Trade Commission Rules and Bureau of Standards definitions, insofar as they apply to the gemstone and jewelry industries.
- C. No AGTA Member should in any way defame, criticize, undermine, or take unfair advantage of another person or firm's reputation or merchandise in order to promote and sell his or her own merchandise.
- D. Merchandise must not be misrepresented as to its nature, authenticity, treatment and/or origin. Disclosure of treatment is mandatory on all commercial documents for each individual stone and/or lot at the point of consignment or sale, and must be in accordance with the Gemstone Enhancement Manual, as long as the requirements therein are not contrary to those of the Federal Trade Commission.

- E. Members shall not indulge in what are commonly known as “sharp practices” which, while designed to come within the letter of the law, have the effect of deceiving prospective purchasers or suppliers.
- F. Use of terms such as “investment gem,” “investment grade,” “investment quality,” “museum quality,” “museum grade,” and “museum gem” or substantially similar language is prohibited except where the terminology pertains to discussions or sales between knowledgeable professionals within the wholesale trade. Members shall not use these terms for sales to consumers unless the gemstones are of such rarity and quality that these terms are justified
- G. Members should avoid the use of the term “semiprecious” in describing gemstones.
- H. Members selling gemstones for financial investment at the consumer level are required to make it abundantly clear to the potential purchaser that 1) any investment is subject to either profit or loss and 2) there is no organized market for the liquidation of gemstones. They must be given the right to return the stones for a return of the purchase price within a reasonable period of time not less than thirty (30) days. Members are required to have their customers sign an affidavit that they understand they are not being guaranteed a profit.
- I. Members shall not deliver a gemstone in a sealed container under a warranty that becomes void if the seal is broken.
- J. Members shall restrict the use of the terms “gem” and “gemstone” to materials of natural origin.
- K. To describe synthesized materials which have essentially the same physical, chemical, and optical properties as natural gemstones, members shall use only the word “synthetic” or some other word or phrase of like meaning sanctioned by the Federal Trade Commission so as to clearly disclose the nature of such product and the fact that it is not a natural gemstone. The terms “laboratory grown,” “man-made,” and “Chatham-Created” are considered as words of like meaning as the term “synthetic.” Members shall not use the word “faux” or other substantially similar language to describe man-made materials. Members shall use the word “simulated” or “imitation” for imitations.

- L. Members shall not use laboratories to certify their stones and/or appraisers to place value on their stones in which laboratory or appraiser the supplier has a vested interest or where a conflict of interest exists.
- M. This Code of Ethics and Principals of Fair Business Practices applies to any company owned by the Member and/or the Member of Record or any company in which the Member and/or Member of Record has a vested interest.

### **Section 2: Fiscal Guidelines**

- A. The Member, for the protection of all parties, should insure that financial obligations and commitments regarding any business transactions are in writing, expressing the exact agreement of the parties. Copies of all agreements shall be furnished to each party upon his or her signing such an agreement.
- B. All terms on invoices should be considered cash on receipt, unless otherwise stated in writing.
- C. All financial obligations must be met on time.
- D. All senders must arrange full insurance on any merchandise they do not own, sent via any carrier.
- E. When acting as an agent, the Member shall not accept any commission, rebate, or profit on any transaction made for the owner, without the owner’s knowledge and consent.

### **Section 3: Memoranda and Consignments**

- A. Title to merchandise does not pass on a memorandum until the consignor makes a bill of sale.
- B. If the consignor demands that the merchandise be returned upon expiration of the agreed time period on the memorandum, the consignee shall have the option of sending payment in full or returning the merchandise within one regular working day. Upon receipt of payment, the consignor shall issue a bill of sale.

- C. Members are responsible for merchandise received on memorandum.
- D. Any gemstones or jewelry taken on memorandum, if returned, must be in the same condition and form in which it was received, unless consignor agrees to modifications in writing.
- E. Unless otherwise stipulated, memorandums should have a length of fifteen (15) days from the date of receipt of merchandise. If the consignor has not been contacted after the expiration of the memorandum, he or she has the right to invoice the consignee.
- F. When in possession of a memorandum the Member shall honestly and truthfully disclose on demand the status of any sale or pending sale to the person or company from whom he or she took the memorandum.
- G. Members may file a UCC-1 Financing Statement on any gemstone and/or lot before consigning it to a second party. Member consignees who have been asked to file a UCC-1 Financing Statement before consigning merchandise to a third party must comply and provide the original consignor with evidence of filing.

#### Section 4: Advertising Guidelines

- A. Members shall advertise in accordance with the rules set forth by the AGTA and the Federal Trade Commission. The rules of this Association will take priority so long as they are not contrary to those of the Federal Trade Commission.
- B. **Firm Members**
  - 1. Firm Members may advertise only in the following manner: using the official logo of the AGTA or the statements “Member American Gem Trade Association” or “Member AGTA.” Statements such as “Charter Member,” etc. are prohibited.
    - a. Use of the AGTA logo or other references to membership must be limited in size so as not to imply that said document is coming from the Association.
    - b. At no time may any reference to membership be either bolder or larger than the name or logo of the advertiser.

- 2. Firm Members may use the Association slogan “Add More Color to Your Life” in their advertising or literature.
- 3. Firm Members may not advertise Committee memberships or membership as an official of the AGTA (e.g., “Chairman, Advertising Committee,” “Member of the Board of Directors,” etc.)
- 4. Advertising of membership in AGTA must be done in good taste and may not be used in any way that implies endorsement of either the firm or of its prices or that the Association will act as a reference for said firm (credit or otherwise).
- 5. Firm Members are prohibited from using the AGTA logo, etc. in advertising synthetic or imitation stones.

#### C. **Affiliate Members**

- 1. Affiliate Members may advertise only in the following manner: using the official logo designed for Affiliate Members of the AGTA or the statements “Affiliate Member, American Gem Trade Association” or “Affiliate Member, AGTA.”
  - a. Use of the AGTA logo or other references to membership must be limited in size so as not to imply that said document is coming from the Association.
  - b. At no time may any reference to membership be either bolder or larger than the name or logo of the advertiser.
- 2. Affiliate Members may use the Association slogan “Add More Color to Your Life” in their advertising or literature.
- 3. Affiliate Members may not advertise Committee membership.
- 4. Advertising of membership in AGTA must be done in good taste and may not be used in any way that implies endorsement of either the firm or its prices or that the Association will act as a reference for said firms (credit or otherwise).
- 5. Affiliate Members are prohibited from using the AGTA logo, etc. in advertising synthetic or simulated stones.

## Section 5: Usage of Certificates and/or Appraisals

- A. Members shall not engage in the practice of issuing their own certificates and/or appraisals regarding quality, purity of color, clarity, and/or value of a gemstone for the purpose of promoting sales of their own merchandise or the merchandise of a business related firm.

## Section 6: Gem Identification Laboratories and Appraisers

- A. Laboratory and Appraiser Members and their customers must be independent of each other when examining or appraising the same object and be objective and impartial in their evaluation or valuation.
- B. Laboratory and Appraiser Members may not provide certificates or appraisals for gemstones in which they have a vested interest or in which they may stand to gain revenue of any sort through the sale of the gemstone they are certifying or appraising.
- C. Laboratory and Appraiser Members may not disclose to anyone any information that is of a personal nature or of a nature that is proprietary to the stone supplier. Complete confidentiality must be maintained.
- D. All appraisals must be titled with the specific function and purpose for which they are issued and the market level of the value given must be stated.
- E. Laboratory and Appraiser Members are expected to render opinions with a degree of accuracy consistent with generally accepted gemological and appraisal methodology standards and to state on reports the name and address of their company plus the name and qualifications of the person(s) making the evaluations. Members issuing gemstone laboratory reports shall have the name of the preparer clearly printed or typed immediately adjacent to his or her signature.

- F. Laboratory or Appraiser Members may not falsely claim gemological or appraisal credentials, or fabricate non-existent titles.
- G. Persons performing gemological and/or appraisal services should be affiliated with one or more of the professional groups, associations, or societies for appraisers or laboratories.
- H. Fees for gemological and/or appraisal services should be based on a per-carat, per-piece, or per-hour basis. Contingent fees, split fees, kickbacks, or percentage-of-value fees are prohibited.
- I. Persons advertising appraisal services with the intention of making an offer to buy the jewelry or gemstones they appraise must state in their advertisements that they are offering “Appraisals to Buy.” Persons advertising appraisal services must perform complete, written appraisals.

*Revised 2007*