



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

Division of Enforcement
Bureau of Consumer Protection

Joseph R. Ettore, Chairman
Ames Department Stores, Inc.
2418 Main Street
Rocky Hill, CT 06067

January 22, 1999

Dear Mr. Ettore:

The staff of the Federal Trade Commission's Division of Enforcement has conducted an investigation of Ames Department Stores, Inc. to determine whether it engaged in unfair or deceptive acts or practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. In particular, the investigation concerned whether Ames was representing diamond weights in accordance with the Federal Trade Commission's Guides for the Jewelry, Precious Metals and Pewter Industries ("Jewelry Guides"), 16 C.F.R. Part 23. The Jewelry Guides provide that "[i]t is unfair or deceptive to misrepresent the weight of a diamond."

Ames informed staff that it represents the weight of diamonds in its advertising circulars using fractional parts of a carat, *e.g.*, 1/2 carat. According to Ames, the company's fractional representations of diamond weight are accompanied by a disclosure that the weights are approximate, and a disclosure in the form of a chart of the range of weights being used for each fraction. The chart containing the disclosures that diamond weights are approximate and fall within a specifically described range of weights appears on every page of its advertising circulars where a fractional diamond weight representation is made. In addition, Ames informed staff that a chart stating that diamond weights are approximate, and listing the weight ranges used, is posted on the counter of the diamond case at Ames stores. The disclosures are clear and conspicuous and consumers are confronted with the disclosures prior to purchasing a diamond product. According to Ames, its policy with respect to diamond weight representations includes informing its diamond product suppliers that they must adhere to specific acceptable diamond weight tolerances, which are those printed in its advertising circulars and on cards on display at its jewelry counters.

The staff has concluded that no further action is warranted by the Commission at this time. Accordingly, the investigation has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,

Elaine D. Kolish
Associate Director

cc: David H. Lissy, Esq.