

# Secret sellers: Appealing to the cash-strapped divorcée

By **Syl Tang**

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**Syl Tang**  
reports on a  
proliferation  
of companies  
buying  
unwanted  
jewels

The kitschy Cash4Gold.com commercial is as recognisable to millions in the US as the Hamlet cigars happiness spots would be in the UK.

With the tagline "send in your unwanted, unworn gold jewellery for cash", the advertisement, which seeks to entice viewers to mail in broken gold chains with the promise of a prompt cheque, has become such a pop culture reference that it is cited by talk show hosts such as Jay Leno and David Letterman.

But in the past year, there has been a proliferation of companies offering to take much higher-end unwanted jewellery off women. Much like a dive bar suddenly flanked by private-member clubs, these companies — **Circa**, Divorce Your Jewels, Windsor Jewels, and OutofYourLife.com — all of which are after diamonds and estate pieces, raise the question of whether the once-notorious direct-buy jewellery market can elevate itself to a luxury level?

Jamie Bright Forman, executive vice president of communications for Lippincott, an 18-year-old jewellery reclamation business, that launched OutofYourLife.com last month, says that selling off jewellery no longer means financial desperation.

"As long as you didn't get married at 18, you probably had a boyfriend who gave you a trinket. You're certainly not going to hand down your ex-boyfriend bling to your children and you're not going to wear those pieces in front of your husband."

Selling off jewellery discreetly was bound to happen in a bad economy but perhaps there was precedent for it to become more acceptable. In 2006, Ellen Barkin offloaded jewels from her failed five-year marriage to billionaire Ron Perelman.

The much-publicised Christie's auction netted more than \$20m according to Sara Fox, a spokesperson for Christie's.

Lippincott may not be seeing entire Barkin-esque collections, but the company's site has already received one \$100,000 five-carat yellow diamond.

Missy Schorr, founder of Divorce Your Jewels, based in New York, started her business last November, and is averaging between 10 and 16 clients a week. "There are a tremendous number of divorcees now because of the economy. A lot of men are getting fired, they can't support a household, there are a lot of fights. One woman was married 28 years

and she found her husband cheating ... and she sold her diamond wedding band. Unworn jewels are unutilised assets."

So how does it work? Ms Schorr says that buyers leverage a network of private collectors, dealers and recutters.

"I spend my day running around with an item to 20 experts; wholesalers, retailers and diamond cutters and I'll see who will give the highest price.

"With diamonds there is a book containing a weekly value and sometimes in this volatile market people can get as much as 40 per cent of retail. Today I have a sapphire. I have to run around and see if it sells as a piece, do we melt down the gold, or do we sell just the sapphire? Watches are less. They average 5 to 10 per cent of the retail price. So if you buy a Rolex Daytona for \$30,000 you can expect \$3,000."

But Chris Del Gatto, founder of Circa disagrees.

"If someone bought something 45 years ago, we've given many times more than they bought it for it." Perhaps the most established in this new sector of secondary buyers, Circa banks more than \$100m in revenue. Mr. Del Gatto says: "When you're not wearing a piece, it's a liability because you're paying insurance on it and whether it's \$5,000 or \$500,000, cash is always more valuable over a period of time. We've bought from royal families to housewives from St Louis."

So what ultimately is the effect in the marketplace of these new direct-buy companies? It may be limited.

Joanna Hardy, director of jewellery for Sotheby's in the UK, says some pieces will never get into the hands of this sort of secondary market. "I've been in the business for 30 years and at auction for 20 and I will still see someone come in with something I haven't seen before."

While the jewellery industry may not be convinced, even notorious Cash4Gold.com may be. It turns out that the company is the first or second largest buyer of direct response commercials in the US and it is making a play for the upscale market.

Jeff Aronson, CEO of Cash4Gold, says: "We're using Cash4Gold.com to drive business to a site we launched in May 2008, The Estate Buyer. No, the seller is not exactly the same demographic but all it takes is curiosity. We are buying 50-100 Rolexes and Patek Philippes a week, 25 to 50 diamonds with more than three carats each a week, and vintage jewellery that's 100-plus years old. We are in the process of expanding into Europe and Canada. The Estate Buyer will be called Winston Sharp overseas and will be open for business within the next 90 days in the UK."

*Syl Tang tracks trends and runs HipGuide Inc.*