



JEWELERS OF AMERICA

URGENT CALL TO ACTION: LIFO UNDER THREAT IN CONGRESS!

Dear Jewelers of America member,

I'm writing to urge you to **strongly oppose a repeal of the last-in, first-out (LIFO) inventory accounting method**, which President Obama has proposed in his FY 2010 budget. **This repeal would be a potentially fatal blow** to companies in the jewelry industry that use LIFO.

If your company doesn't use LIFO, you may not know that it makes sense for certain businesses because it enables them to record the sale of their most expensive inventory first, thereby decreasing profits and reducing taxes. **At a time when cash flow is paramount, lower taxes are critical.**

Jewelers of America has joined a LIFO Coalition on Capitol Hill, partnering with others who also oppose repeal. We plan to add the jewelry industry's voices to others who are saying that now is not the moment to further harm companies struggling to recover from weak economic conditions.

Here are two ways you can help us:

- **Call Congress!**
Contact by email, letter or phone your legislative representatives, using the **sample letter/talking points attached**. You can find their names and contact details by going to www.usa.gov/Contact/Elected.shtml.

We've also prepared a list of legislators who serve on the key committees in Congress that will decide the fate of the LIFO repeal. You'll find this document at our homepage, www.jewelers.org, under "Membership Updates." If your representatives serve on these committees, it's important that you contact them. Many legislators will be home for a break (April 6-17), and personal appeals are welcome.

- **Donate to JAPAC**
A donation to JAPAC, Jewelers of America Political Action Committee, **is critical right now**, to help us get the special attention of legislators who serve on budget and finance committees. I've personally contributed to JAPAC and so have most of the Directors on our Board. I urge you to follow our example today. To find out how to contribute, please visit www.jewelers.org/publicaffairs/JAPAC.html.

Thank you for your quick attention to these requests. **We are facing a tight deadline to make an impact on Congress** – and stop this LIFO repeal before it has a chance to make it into final budget legislation. Please help us today. Write to your legislators. Donate to JAPAC.

Sincerely,

Matthew Runci
President and CEO
Jewelers of America

P.S. If you would be so kind as to cc: rheadley@jewelers.org on the letters you send to legislators, this will enable our public affairs team to keep track of the overall effort.