

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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Commissioner Farrell: Gold Parties Must Comply with Laws

HARTFORD, November 20 -- Department of Consumer Protection Commissioner Jerry Farrell, Jr. warned consumers to be wary of in-home “gold parties” that have become popular around the state over the last month. The “gold party” concept involves a person inviting his or her friends over to their home for a party where they are asked to bring any unwanted gold that they might want to sell.

“It’s nice to gather in someone’s home, have food and drink and socialize, but, if that party also involves potentially selling your gold, consumers need to know important information ahead of time,” Farrell said. He pointed out that consumers need to know:

- State law (Connecticut General Statutes, Section 21-100) requires a person engaged in buying gold to have a license to do so from the local Chief of Police or First Selectman. Depending upon an individual municipality’s interpretation of that law, the homeowner hosting the party may need such a license, as well as the gold dealer themselves.
- The same state law explicitly states that all transactions between the seller and buyer of gold must be by check or money order – NO CASH.
- The scale used at the party must be certified by an authorized metrology lab and the laboratory’s official seal affixed to the scale.

“These parties crop up during bad economic times,” Farrell said. “It may be that you do want to sell your gold but, as with any consumer transaction, go into it with your eyes open and your head filled with relevant information.” Among Farrell’s recommendations are:

- Before going to the party, visit several reputable jewelers or coin stores to see what value they place on your item of jewelry, and what they might be willing to pay you for it.

“We always say to consumers “shop around” to find the best price and that concept applies here too,” the Commissioner said.

- Find out the carat and weight of each item of your jewelry.

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Gold parties, page 2

Department of Consumer Protection, 11/20/09

“Value is going to depend not only on the weight of the item, but also on the carat. Is it 14k, 18k or 24k? Each item you want to sell has to be weighed individually, as different carats will sell at different rates of value,” Farrell said.

“Don’t let multiple items of differing carats get weighed together.”

- Look to make sure that the scale used is indeed certified by an authorized metrology lab.

“The measurements of weight involved in gold are much smaller than other kinds of commodities consumers purchase or sell by weight; therefore the scale needs to be extremely accurate, which can only be the case if it has been calibrated recently and a dated seal placed upon it,” Farrell said.

Consumers with questions about gold parties are urged to first of all, call their local Police Department to see if the party organizers have obtained a license, and to call the Department of Consumer Protection at 1-800-842-2649 if they have additional questions or concerns.

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