

Michelle Obama's earrings had a familiar sparkle

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CHICAGO—No matter who they voted for, most people will never forget the historical moment on the evening of Nov. 4 when newly elected President Barack Obama walked onto a stage in Chicago's Grant Park with his wife Michelle and their two daughters to deliver his victory speech.



Beverly Hills, Calif.-based jewelry designer Loree Rodkin was one of those who, like many others, had gathered with friends in front of a television screen, waiting and watching. But for Rodkin, the moment was not just historical—it was also an artistic milestone.

"I was so emotionally moved by the fact that we won," says Rodkin, an Obama supporter. "And then, suddenly, I realized that Mrs. Obama was wearing earrings I had designed."

At first, Rodkin, who's been a luxury jewelry designer for two decades and sells her high-end baubles all over the world, thought someone had knocked off her design. Rodkin knew that she herself hadn't sold the diamond chandelier earrings to Michelle Obama, and she was unaware of any of her stores selling them to the future First Lady.

"But then, I realized, 'Oh, but they are mine,'" she says.



Michelle Obama, hugging the president-elect, wore Loree Rodkin's diamond earrings (right) on Nov. 4.

Rodkin is one of a select group of contemporary jewelry designers that regularly accessorize Hollywood A-listers for red carpet events, movie premieres and their personal wardrobes. A diverse clientele, from Madonna and Mary J Blige to the members of Aerosmith, have been drawn to her nonconformist, sometimes irreverent, modern-meets-Medieval style.

"Last year, one of my skull rings even went to the moon with one of the astronauts—and that was amazing," she says.

But this was different.

"In fact, this was sort of the highlight of my career," Rodkin says. "It was an emotional and historical moment, and I felt I was part of it—in my own tiny way, of course."

Initially, when Rodkin recognized the 18-karat white gold and pavé diamond three-tiered dangles as her "Triple Constellation Earrings," she says she didn't



"The Triple Constellation" pavé diamond three-tiered chandelier earrings in 18-karat white gold by Loree Rodkin; suggested retail price is \$10,500. (310) 273-7367 or LoreeRodkin.com

say anything to the others in the room "because we were all so transfixed and watching the moment. And under the circumstances, the fact that Mrs. Obama was wearing my earrings really seemed so insignificant."


Later on that night, however, she did casually mention it to a friend, who mentioned it to another friend. Within days, the word had spread—during which time Rodkin was able to discover that a retail partner in Chicago had indeed sold the earrings, rather than loaned them, to either the future first lady herself or to a friend of hers.

But that is about as much as both Rodkin and the jeweler wish to say about the sale.

"I'm used to working with high-profile clients, so we never intentionally put the word out there," Rodkin says of the sale. "We respect their privacy."

Still, as word has trickled out, orders for "the Michelle Obama earrings" are being called in to Rodkin's Los Angeles studio.

"I think it's because they've become an identifiable object that's related to an historical moment," she says.

And so, for \$10,500, fashionistas everywhere can shine in the moment. 

BANKRUPTCIES < FROM PAGE 1

Jewelers Board of Trade (JBT), an industry organization that tracks the financial well-being of its 70,000 retailer, manufacturer and wholesaler members, says she expects to see bankruptcies rise again in 2009.

"I think people are on fumes right now, hoping for that big surge of male shoppers at the last minute, that kind of last-minute rush before Christmas," Kenyon said before the holidays.

For many, if that rush does not come—or if it is not enough to save their sinking businesses, they may well join the growing ranks of jewelers forced to close up shop, she says.

A look back at JBT statistics for 2008 shows that the number of bankruptcies among retail jewelers/repair shops sank to the year's lowest point in June before beginning a slow and steady climb as U.S. economic woes began mounting to historic proportions in the fall.

In June, according to JBT statistics, only one retailer filed for bankruptcy, and the bankruptcies year-to-date were down 16.7 percent from 2007.

That number rose to four in July, followed by three in August and two in September. That is when news came that the growing economic crisis had felled



"I probably should have stopped at four [stores], retooled my organization and then gone to five, six, seven and eight."

—DAVID NYGAARD, NYGAARD FINE JEWELERS, CHESAPEAKE, VA.

big financial players such as Merrill Lynch and Lehman Brothers. It's also when the jewelry business, from Kenyon's perspective, came to a grinding halt.

"From that moment on ... it was like the garage door slammed down," she says.

Bankruptcies jumped to six in October, and by November, two months after the start of the global economic meltdown, bankruptcies were up 10.8 percent from the previous year.

A JEWELER'S DREAM FALLS APART

Few experienced the meltdown to the same degree as Virginia jeweler David Nygaard, who filed for bankruptcy and shuttered his seven Virginia jewelry

stores at the end of June. It now seems like a harbinger of what would happen to the luxury retail industry at large in the fall, as the sinking U.S. economy began to have a domino effect worldwide.

"We were very much a precursor," says Nygaard, a high-profile member of the jewelry industry who won business awards in his community.

Nygaard says the banks aggressively recruited his business, loaning him the money to expand his four-store chain to seven.

"[The bank] had encouraged the growth, they had actively solicited our business," Nygaard says. "They were very aggressive in loaning money to us for different projects."

In retrospect, Nygaard says, the fourth store should have been "a natural resting place" for his burgeoning regional chain.

WEATHERING THE STORM

Jewelers who have made it through rough spots suggest that now is the time to build a better business model by figuring out what is, and isn't, working in your store.

- » Get out of debt and stay out of debt, if at all possible. Rely on your own capital, rather than the bank's money.
- » Figure out where you can save money. Do you really need store security guards? Are all of your staff members necessary?
- » Don't let personal relationships get in the way of business. Just because employees are nice people doesn't mean they are up to the task at hand.
- » Shift marketing spend. Consider holding more personal events for customers and running fewer radio, television and print ads.
- » Remember to push jewelry's investment value. Says the Jewelers Board of Trade's Dione Kenyon, "De Beers isn't dumb about the [ad] campaign that's going now. I actually think that's a great message and that's planting a positive seed for our industry."