

February 28, 2011

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission (SEC)
100 F Street, NE
Washington, DC 20549-1090

ETHICAL METALSMITHS

Jewelers for Social and
Environmental Responsibility

RE: Comments Regarding File Number S7-40-10 on Conflict Minerals

Dear Ms. Murphy:

We are writing to urge you to institute robust and comprehensive rules on conflict minerals under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

We are an organization of jewelers who seek responsibly sourced materials. We need to have confidence in our supply chain, from mine to market. Ethical Metalsmiths is particularly concerned that mining of gold comes at a great cost to communities and the environment, particularly in areas of armed or militarized conflict. We strongly support the development of supply chain transparency that will provide independent verification that a company is not sourcing gold that is financing armed conflict or human rights violations.

We believe that these rules have the potential to help make that verification possible if the rules are stringent on several important points.

To meet statutory intent and requirements and the needs of companies and investors seeking to avoid implication in conflict and human rights abuses, the rules must fully include gold and metals mining companies. Gold is an important component of conflict financing that the rules must fully account for. Mining companies have previously been involved in conflict financing in the DRC and the rules must prevent that from happening again.

The rules must be firm and prevent loopholes that would unduly exempt companies. Companies should 'file' not just 'furnish' conflict minerals disclosure, and that disclosure must include strong due diligence and evidence and identification of all known countries of origin and actual specific origin of minerals if known for the DRC. The rules should also define manufacturing and the "necessity" of conflict minerals in a product inclusively.

Finally, the rules must avoid a loophole by describing post-consumer recycled metals, but not scrap, as "DRC conflict free." Recycled gold labeled through due diligence and an audited Conflict Minerals Report as "DRC conflict free" must be only 100% post-consumer metals and not include gold bars, coins, un-sold jewelry, or scrap. This precise definition of recycled is necessary to avoid potentially allowing newly-mined gold to be masked as broadly-defined "recycled" metals.

Thank you for the opportunity to provide comments on these important issues.

Regards,

Christina Miller, Director and Susan Kingsley, Senior Adviser