



October 16, 2009

Dear Members,

The Board of Directors of AWCI would like to clarify the current position of The Institute regarding the call for investigations by the U.S. Department of Justice. We do not believe it is in the best interest of AWCI to be involved in these investigations or legal actions. AWCI lawyers have reviewed the case and determined that the merits are weak, especially in light of past-precedent Supreme Court decisions and positions adopted by the Department of Justice. Many members of AWCI and this Board recognize a tremendous educational benefit from cooperation with all watch companies. We question the wisdom of potentially alienating our organization from those with whom we need to have open, solutions-oriented communication.

The Institute is very concerned about the policies of some watch companies with regard to the withholding of replacement parts from reasonably qualified persons. Such policies are seen as detrimental to the horological community and undermining of the public trust. Therefore, the Board of Directors of the Institute has agreed to create and publish an official opinion about this issue, in order to discourage this process. However, we do not see becoming a party to litigation with these same watch companies as beneficial to AWCI and its members. We have provided a statement recognizing the benefit of sensible distribution policies. We hope that these companies as well as our members will recognize and build upon the opportunities developed from this cooperation. We believe that those companies that continue to alienate independent watchmakers with unreasonably restrictive distribution policies will see the long term benefit to the overall horological community by modifying such policies accordingly.

Sincerely,

Mark Butterworth, President AWCI

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