

MIRA INFORM REPORT

Report No. :	519920
Report Date :	14.07.2018

IDENTIFICATION DETAILS

Name :	ZALE CORPORATION
Registered Office :	Corporation Trust Center 1209 Orange ST, Wilmington, Delaware, USA
Country :	United States
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	1924
Legal Form :	Corporation
Line of Business :	Subject together with its subsidiaries, operates as a specialty retailer of fine jewelry in North America.
No. of Employees :	270 (11900 Worldwide)

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Exist

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
United States	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

UNITED STATES - ECONOMIC OVERVIEW

The US has the most technologically powerful economy in the world, with a per capita GDP of \$59,500. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II. Based on a comparison of GDP measured at purchasing power parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.

In the US, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services predominantly in the private marketplace. US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products. At the same time, businesses face higher barriers to enter their rivals' home markets than foreign firms face entering US markets.

Long-term problems for the US include stagnation of wages for lower-income families, inadequate investment in deteriorating infrastructure, rapidly rising medical and pension costs of an aging population, energy shortages, and sizable current account and budget deficits.

The onrush of technology has been a driving factor in the gradual development of a "two-tier" labor market in which those at the bottom lack the education and the professional/technical skills of those at the top and, more and more, fail to get comparable pay raises, health insurance coverage, and other benefits. But the globalization of trade, and especially the rise of low-wage producers such as China, has put additional downward pressure on wages and upward pressure on the return to capital. Since 1975, practically all the gains in household income have gone to the top 20% of households. Since 1996, dividends and capital gains have grown faster than wages or any other category of after-tax income.

Imported oil accounts for more than 50% of US consumption and oil has a major impact on the overall health of the economy. Crude oil prices doubled between 2001 and 2006, the year home prices peaked; higher gasoline prices ate into consumers' budgets and many individuals fell behind in their mortgage payments. Oil prices climbed another 50% between 2006 and 2008, and bank foreclosures more than doubled in the same period. Besides dampening the housing market, soaring oil prices caused a drop in the value of the dollar and a deterioration in the US merchandise trade deficit, which peaked at \$840 billion in 2008. Because the US economy is energy-intensive, falling oil prices since 2013 have alleviated many of the problems the earlier increases had created.

The sub-prime mortgage crisis, falling home prices, investment bank failures, tight credit, and the global economic downturn pushed the US into a recession by mid-2008. GDP contracted until the third quarter of 2009, the deepest and longest downturn since the Great Depression. To help stabilize financial markets, the US Congress established a \$700 billion Troubled Asset Relief Program (TARP) in October 2008. The government used some of these funds to purchase equity in US banks and industrial corporations, much of which had been returned to the government by early 2011. In January 2009, Congress passed and former President Barack OBAMA signed a bill providing an additional \$787 billion fiscal stimulus to be used over 10 years - two-thirds on additional spending and one-third on tax cuts - to create jobs and to help the economy recover. In 2010 and 2011, the federal budget deficit reached nearly 9% of GDP. In 2012, the Federal Government reduced the growth of spending and the deficit shrank to 7.6% of GDP. US revenues from taxes and other sources are lower, as a percentage of GDP, than those of most other countries.

Wars in Iraq and Afghanistan required major shifts in national resources from civilian to military purposes and contributed to the growth of the budget deficit and public debt. Through FY 2018, the direct costs of the wars will have totaled more than \$1.9 trillion, according to US Government figures.

In March 2010, former President OBAMA signed into law the Patient Protection and Affordable Care Act (ACA), a health insurance reform that was designed to extend coverage to an additional 32 million Americans by 2016,

through private health insurance for the general population and Medicaid for the impoverished. Total spending on healthcare - public plus private - rose from 9.0% of GDP in 1980 to 17.9% in 2010.

In July 2010, the former president signed the DODD-FRANK Wall Street Reform and Consumer Protection Act, a law designed to promote financial stability by protecting consumers from financial abuses, ending taxpayer bailouts of financial firms, dealing with troubled banks that are "too big to fail," and improving accountability and transparency in the financial system - in particular, by requiring certain financial derivatives to be traded in markets that are subject to government regulation and oversight.

In December 2012, the Federal Reserve Board (Fed) announced plans to purchase \$85 billion per month of mortgage-backed and Treasury securities in an effort to hold down long-term interest rates, and to keep short-term rates near zero until unemployment dropped below 6.5% or inflation rose above 2.5%. The Fed ended its purchases during the summer of 2014, after the unemployment rate dropped to 6.2%, inflation stood at 1.7%, and public debt fell below 74% of GDP. In December 2015, the Fed raised its target for the benchmark federal funds rate by 0.25%, the first increase since the recession began. With continued low growth, the Fed opted to raise rates several times since then, and in December 2017, the target rate stood at 1.5%.

In December 2017, Congress passed and President Donald TRUMP signed the Tax Cuts and Jobs Act, which, among its various provisions, reduces the corporate tax rate from 35% to 21%; lowers the individual tax rate for those with the highest incomes from 39.6% to 37%, and by lesser percentages for those at lower income levels; changes many deductions and credits used to calculate taxable income; and eliminates in 2019 the penalty imposed on taxpayers who do not obtain the minimum amount of health insurance required under the ACA. The new taxes took effect on 1 January 2018; the tax cut for corporations are permanent, but those for individuals are scheduled to expire after 2025. The Joint Committee on Taxation (JCT) under the Congressional Budget Office estimates that the new law will reduce tax revenues and increase the federal deficit by about \$1.45 trillion over the 2018-2027 period. This amount would decline if economic growth were to exceed the JCT's estimate.

Source : CIA

LOCATION FACTS

Government	Federal
Currency	USD
Economic Risk	Nil

STATUTORY INFORMATION

Legal Name	ZALE CORPORATION
Trade Name	ZALES, ZALE
ID	ID
ID Details	2261333
Creation Date	1924
Incorporation Date	4/26/1991
Legal Address	Corporation Trust Center 1209 Orange ST, Wilmington, Delaware, USA
Operative Address	901 W. Walnut Hill Lane MS 5B-12 Irving, TX 75038- 1003, USA
Telephone	972-580-4000
Fax	972-580-5266
Legal Form	Corporation
E-Mail	NA
Registered In	DELAWARE
Website	www.zalecorp.com
Contact	George Murray - President
Staff	270 (11900 worldwide)
Activity	SIC Code: 5944, Jewelry Stores NAICS Code: 448310, Jewelry Stores

BANKS

Name of Bank	Reported Amount
Bank of America	
Description	-

HISTORY

History	Zale Corporation was founded in 1924. In 2014 Zale Corporation was acquired by Signet Jewelers Limited.
Key Developments	NA
Parent Company	Zale Corporation operates as a subsidiary of: Signet Jewelers Limited Clarendon House 2 Church Street Hamilton, HM11 Bermuda

PRINCIPAL ACTIVITY

General Description	Zale Corporation, together with its subsidiaries, operates as a specialty retailer of fine jewelry in North America.
Service/Product Description	The company operates through three segments: Fine Jewelry, Kiosk Jewelry, and All Other. The Fine Jewelry segment operates 614 stores and 127 Zales Outlet stores that offer bridal designs, branded watches, gemstones, gold merchandise, diamond fashion, and solitaire products under the Zales Jewelers brand; and 146 stores in 9 provinces providing gold jewelry, gemstone jewelry, and watches under the Peoples Jewellers brand. It also operates 122 stores in 24 states and Puerto Rico that offer bridal designs, branded watches, gemstones, gold merchandise, and diamond fashion and solitaire products under the Gordon's Jewelers brand; and 55 stores in 6 provinces providing bridal assortment and branded jewelry under the Mappins Jewellers brand, as well as operates e-commerce sites, including

Sales	zales.com, zalesoutlet.com, peoplesjewellers.com, pagoda.com, and gordonsjewelers.com. This segment also provides repair services to customers. The Kiosk Jewelry segment offers bracelets, earrings, charms, rings, non-precious metal products, and gold chains, as well as silver and diamond jewelry under the Piercing Pagoda and Plumb Gold brands through 630 mall-based kiosks. This segment also provides ear-piercing services. The All Other segment offers insurance and reinsurance services for a range of insurance coverage, such as merchandise replacement coverage, group life insurance coverage, and credit insurance coverage.		
Operations Area	Retail		
Imports From	National		
Export To	Mexico		
Employees	No export records were found.		
Payments With Suppliers	270 employees (11900 worldwide)		
Brands	Slow but correct		
Brand	Comments		
Key	-		
Zales	-		
Piercing Pagoda	-		
Gordon's	-		
Clients			
Name of Client	Country	Comments	
Private customers		-	
Comments		-	
Suppliers			
Supplier Name	Country	Comments	
Sabelli SA De Cv	Mexico	-	
Comments		-	

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LOCATION

Headquarters	901 W. Walnut Hill Lane MS 5B-12 Irving, TX 75038-1003, USA
Branches	9797 ROMBAUER RD COPPELL, TX, 75019 United States
	6301 NW LOOP 410 STE Q3 SAN ANTONIO, TX, 78238-3814 United States
	6501 GRAPE RD STE 378 MISHAWAKA, IN, 46545-1038 United States
	2801 WILMA RUDOLPH BLVD CLARKSVILLE, TN, 37040-5011 United States
	3811 S COOPER ST STE 1016 ARLINGTON, TX, 76015-4134 United States
	1133 SAINT VINCENT AVE STE 34 SHREVEPORT, LA, 71104-4132 United States

GROUP STRUCTURE AND SUBDIARY COMPANIES

Listed at the stock exchange	No
Capital	NA
Shareholders (%)	Zale Corporation opeates as a subsidiary of: Signet Jewelers Limited Clarendon House 2 Church Street Hamilton, HM11 Bermuda
Management	George Murray - President
Subsidiary Companies	Piercing Pagoda P.O. Box 152777 Irving, Texas 75015 Gordon´s Jewlers Customer Service P.O. Box 152777 Irving, Texas 75015

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Related Companies

Fast Fix Jewelry Repair
1515 S. Federal Hwy, Suite 412
Boca Raton, FL 33432
Zale Canada Co
1440 1440 Don Mills Road
North York, ON M3B 3M1
Canada

FINANCIAL INFORMATION

General Description	The company does not make its financial statements public. The following information has been provided by private sources:
Year/Currency	2017 USD
Sales	1.1Billion
Money Flow	Normal
Exports	NA
Import Fob Dollar Year	Amount
There are not Import Fob Dollar informed	
Export Fob Dollar Year	Amount
There are not Export Fob Dollar informed	

LEGAL FILINGS

Lawsuits	Strehl et al v. Zale Corporation et al Plaintiff: Norman Strehl and Regina Strehl Defendant: Zale Corporation and Craig Realty Group Case Number: 3:2017cv00222 Filed: January 24, 2017 Court: Texas Northern District Court Office: Dallas Office County: XX US, Outside State Presiding Judge: David C Godbey Referring Judge: David L. Horan Nature of Suit: Other Personal Injury
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Cause of Action: 28:1332
Jury Demanded By: Both

Rodriguez-Perez et al v. Zale Corporation et al
Plaintiff: Maria Rodriguez-Perez, Juan G. Bianchi-
Dorta, Elizabeth Davila-Rodriguez and Jesus
Fonseca-Resto
Defendant: Zale Corporation, Zale Puerto Rico, Inc.,
Gordons Jewelry Co. of Puerto Rico, Inc. and
Gordon;s Jewelers, Inc.
Case Number: 3:2016cv02218
Filed: June 29, 2016
Court: Puerto Rico District Court
Office: San Juan Office
County: San Juan
Presiding Judge: Pedro A. Delgado-Hernandez
Nature of Suit: Employment
Cause of Action: 29:621
Jury Demanded By: Plaintiff

Donna Morrow v. Zale Corporation, et al
Defendant: Zale Store 1491 and John Daugherty
Plaintiff - Appellant: Donna Morrow
Defendant - Appellee: Zale Corporation and Zales
Delaware, Inc.
Case Number: 15-2321
Filed: June 19, 2015
Court: U.S. Court of Appeals, Eighth Circuit
Nature of Suit: Jobs

Genaville LLC v. Zale Corporation
Plaintiff: Genaville LLC
Defendant: Zale Corporation
Case Number: 5:2015cv00099
Filed: June 14, 2015
Court: Texas Eastern District Court
Office: Texarkana Office
County: Bowie
Presiding Judge: Rodney Gilstrap
Nature of Suit: Patent
Cause of Action: 35:271
Jury Demanded By: Plaintiff

LGRT PRO LLC v. Zale Corporation
Plaintiff: LGRT PRO LLC
Defendant: Zale Corporation
Case Number: 5:2015cv00070
Filed: May 22, 2015
Court: Texas Eastern District Court

Trademarks

Office: Texarkana Office
County: Bowie
Referring Judge: Caroline Craven
Presiding Judge: Robert W. Schroeder
Nature of Suit: Patent
Cause of Action: 35:271
Jury Demanded By: Plaintiff

eDekka LLC v. Zale Corporation
Plaintiff: eDekka LLC
Defendant: Zale Corporation
Case Number: 2:2014cv00505
Filed: April 23, 2014
Court: Texas Eastern District Court
Office: Marshall Office
County: Anderson
Presiding Judge: Rodney Gilstrap
Nature of Suit: Patent
Cause of Action: 35:271
Jury Demanded By: Plaintiff
WRIGHT KAY
JEWELRY STORE SERVICES
Owned by: ZALE CORPORATION
Serial Number: 73180943

ZALE'S THE DIAMOND STORE IS ALL YOU NEED
TO KNOW
Retail Jewelry Store Services
Owned by: ZALE CORPORATION
Serial Number: 73347921

WEDLOCK
FINGER RINGS
Owned by: ZALE CORPORATION
Serial Number: 71546219

FIND OF THE WEEK
RETAIL JEWELRY STORE SERVICES
Owned by: ZALE CORPORATION
Serial Number: 72437457

ZALECREST
DIAMONDS AND DIAMOND RINGS
Owned by: ZALE CORPORATION
Serial Number: 73029336

HENRYS
RETAIL JEWELRY STORE SERVICES
Owned by: ZALE CORPORATION

Patents Registered

Serial Number: 73081613

Coarse focus mechanism for microscopes

Patent number: 4003628

Abstract: A coarse focus mechanism for microscopes and related instruments wherein the mechanism includes a slip clutch operated knob which rotates a pinion shaft for moving either the optical or stage member of the microscope relative to the other member for achieving a coarse focus. The knob is disposed on the pinion shaft between the slip clutch and an abutment which is laterally adjustable along the longitudinal axis of the pinion shaft for precisely positioning the knob on the pinion shaft. The knob may include a removable protective housing for enclosing the slip clutch mechanism.

Type: Grant

Filed: November 10, 1975

Date of Patent: January 18, 1977

Assignee: Zale Corporation

Inventor: Nathaniel Halperin

Interface circuit for a telephone system

Patent number: 4484031

Abstract: A telephone communication system (10) utilizes a computer controlled PABX (12) which connects telephone trunk lines (13) to a voice response computer (50). The PABX (12) includes an automatic call distribution unit (12a) which provides selected call control and monitoring features. The ACD unit (12a), however, works only into digital control telephone lines while the voice response computer (50) works only with conventional two-wire telephone lines. Incoming telephone calls are transmitted through the trunk lines (13) to the automatic call distribution unit (12a). These calls are routed through a digital control telephone line (18) to a telephone set (24). A register (34) together with a make busy circuit (38) operate the telephone set (24) when one of the telephone lines (40) is available.

Type: Grant

Filed: June 21, 1982

Date of Patent: November 20, 1984

Assignee: Zale Corporation

Inventors: Jerry B. Gray, Cuba M. Adams, Larry B. Christensen

No records found.

Renewals

UCC (Uniform Commercial Code)

No records found.

OFAC Sanctions List Search

The company is not listed in the OFAC list.

SUMMARY

Summary

Founded in 1924 Zale Corporation is an organization in the Jewelry Store Industry, headquartered in Irving, TX.

The company has 270 employees and generates an estimated \$1B million USD in annual revenue. It operates nationally.

It is ACTIVE in business with high credit risk.

RISK INFORMATION

Debts

Controlled

Payments

Slow but correct

Cash Flow

Normal

State

Active

INTERVIEW

First Name

Stephen

Position

Sales

Comments

He confirmed the name of the company, the address of the headquarters and location and the name of the President.
However, he was reluctant to provide further information.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.41
UK Pound	1	INR 90.07
Euro	1	INR 79.76
US Dollar	1	INR 68.50

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)