

# TRANSMITTAL

Date

Name  
Address  
Address

Dear,

This letter transmits the following report, #11, concerning () item of jewelry, identified as your personal property, submitted to Designer Jewels, Inc., for an opinion of estimated current replacement value. The opinions, grading, and replacement values in this report are not based upon any personal interest or bias by Designer Jewels, Inc. This report has () pages and it is only valid in its entirety.

My instructions for this assignment were to provide an assessment of replacement value for insurance purposes. This appraisal is stated in summary report form; a written report prepared under Uniform Standards Professional Appraisal Practice Standards Rule 2-2(b) [Real Property], 8-2(b) [Personal Property]. This appraisal invokes the departure division of the USPAP standards to the extent that the gem testing, collecting, and confirming data are not included in this report. This information is kept with the appraiser notes. The ownership interest of the item listed is undivided whole interest; all items are the sole property of the submitting parties. The item listed in this report was submitted to Designer Jewels, Inc. by **name** on the **date**. The costs or values are estimates of the average current market prices at which the appraised items may be purchased in the average market in which such goods are normally sold and do not necessarily reflect the price at which the appraised item may be purchased from any one jeweler in particular. The importance of such an appraisal is the accurate and detailed description because insurance companies insure the jewelry items, not their value, the monetary value being a mathematical figure by which one's premiums can be calculated.

I certify that I have conducted a physical examination of the item listed in this report. The examination and analysis of the subject was performed in the offices of Designer Jewels, Inc., Houston, Texas on the **date**.

Based upon thorough inspection of the item submitted, the research and analysis, and subject to the assumptions and limiting conditions stated in this report, it is my conclusion that the current **Replacement Value** of the item is:

\$  
(Dollars)

As stated in the **Privacy Notice**, the contents of this report are regarded as confidential between Designer Jewels, Inc., you the Client, and other Intended Users specifically authorized at the time and effective date of this assignment. The **Authorized Intended Users** are as follows:

**Name**  
**The insurance company of the clients choosing**

Thank you for your business,

---

Mark J. Sandler, G.G., C.G., ASA  
Master Gemologist Appraiser®

**APPRAISAL FOR:**

Name  
Address  
Address

**APPRAISAL BY**

Designer Jewels, Inc.  
5433 Westheimer, Suite 400  
Houston, TX 77056

Appraisal Date:

Appraisal Purpose:

Report Number:

Report Replacement Value:

Jewelry Insurance

#11

\$

Letter of Transmittal

Title Page

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#11

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**EXECUTIVE SUMMARY**

Item 1 – \$

Name

Name  
Address  
Address

Dear:

In accordance with your instructions, the jewelry listed herein has been examined and appraised to determine the approximate replacement value. This information may include, metal content, identification of gemstones, approximated size, weight, and quality of gemstones, quality of workmanship, description of styling and design, and/or replacement value. **Pricing does not include applicable sales tax.** In our opinion, the approximate retail replacement value of this jewelry is \$. To the best of our knowledge and belief all statements of fact contained in this report are true and correct. The specific descriptions of each piece of jewelry are for the sole purposes of identification in order to explain the parameters for this appraiser's opinions as to value, descriptions and identifications. Values, descriptions and identifications are merely this appraiser's opinion based upon the readily apparent identity of the items appraised, and are not intended to express or imply any warranty or guarantee.

**This report is our valuation of the listed jewelry as of the date hereof and is not a contract to replace or a promise to replace the jewelry at the listed value. By your acceptance hereof you agree that Designer Jewels, Inc. may provide a different replacement cost to an insurance company or change its opinion of the replacement cost of the listed jewelry from time-to-time due to changes in the market value thereof.**

Colored stones are often subjected to various treatments to improve their appearance. Treatments are considered usual and customary practices when properly disclosed and when done without intent to defraud the consumer. The treatments are mostly stable and do not require special care. When a treatment is detected and considered not to be usual and customary it will be so noted by this appraiser. Some treatments are reversible and re-treatable. It may be beyond the scope of an appraisal to determine exact treatment methods or the amount of treatment present. Some treatments require sophisticated equipment not found in a standard gemological laboratory. All natural gemstones are routinely enhanced, unless otherwise noted. The majority of these enhancements are permanent, stable and undetectable, unless otherwise noted. Quality descriptions of gemstones are subjective and could vary from one expert to another. For diamond, gemstone, and pearl descriptions, Designer Jewels, Inc. uses Gemological Institute of America nomenclature.

Fees paid for this appraisal are not dependent upon the amount of value, neither as a fixed percentage of the value determined nor as compensation connected to a pre-determined scale relating fee to value range, but are based on an hourly rate of services rendered.

The analysis, opinions, conclusions, and valuations in this report were developed and this report prepared in conformity with the uniform standards of Professional Appraisal Practice for the Personal Property Discipline of the American Society of Appraisers.

Designer Jewels, Inc. recommends reevaluating the values of your jewelry every two years. Records pertaining to the appraisal of items in this report are kept in the office of Designer Jewels, Inc. for up to five years after the report date. If you have any questions regarding this appraisal, please do not hesitate to call us. Thank you for using our appraisal service.

Sincerely yours,

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Mark J. Sandler, G.G., C.G., ASA  
Master Gemologist Appraiser®

EXAMINED DATE:  
 APPRAISAL DATE:  
 EFFECTIVE DATE:

Name  
 Address  
 Address

## ITEM 1

1 – Lady’s platinum and diamond ring. The ring contains seven (7) emerald cut diamonds. The center diamond is described as:

SHAPE AND CUT	Emerald
Measurements	9.17mm by 7.09mm
Weight	2.44 carats
PROPORTIONS	
Depth	4.24mm; 59.7%
Table	64%
Girdle	Medium to Slightly Thick
Culet	Very Small
FINISH	
Polish	Very Good
Symmetry	Good
CLARITY GRADE	SI <sub>1</sub>
COLOR GRADE	D
Fluorescence	None, L.W.U.V.
GIA REPORT #	5121858705
GIA REPORT DATE	January 20, 2011

## COMMENTS

The diamond is held by four (4) double prongs. There is an emerald cut diamond set by bars on each side of the center diamond. These diamonds measure 5.4mm by 4mm and together weigh 1.11 carats. They are D to F color and VS<sub>1</sub> to VS<sub>2</sub> clarity. There are two (2) channel set emerald cut diamonds on each side of the shank set end-to-end. Two (2) of these diamonds were provided by the client. These diamonds measure 3.75mm by 2.5mm and together weigh .655 carat. They are D to F color and VS<sub>1</sub> to SI<sub>1</sub> clarity. The total carat weight of all of the diamonds is 4.205 carats, and they appear to color match the center diamond. The top of the ring measures 14.3mm by 9.7mm. The bottom of the shank measures 4mm wide by 1.8mm thick and is marked “PLAT”. The ring is finger size 5 and weighs 5.31 pennyweights; it is polished throughout. The replacement value is based upon cost approach, the cost to create by Designer Jewels, Inc., and market information.

REPLACEMENT VALUE:           \$



## ITEM 2

1 – Lady’s 14-karat white gold, diamond, and emerald ring. The ring contains one (1) pear shaped brilliant cut emerald and eleven (11) round brilliant cut diamonds. The emerald is center set by eleven (11) prongs with eleven (11) round brilliant cut diamonds each set around it by one (1) outside prong. The emerald measures 7.95mm by 5.71mm by 4.05mm and weighs 1.05 carats. Its color can be described as B2G/moderate bluish green zone 100, by 20% gray mask by the *GemDialogue Color Comparison Charts*. The emerald is very fine quality with few inclusions visible to the naked eye, making it VS<sub>1</sub> clarity. The diamonds measure 1.7mm in diameter and together have a total carat weight of .206 carat. They are F to G color and VS<sub>1</sub> clarity. The top of the ring measures 11.47mm by 9.45mm. The bottom of the shank measures 2mm wide by 1.3mm thick and is marked “14K” and “DJ”. The ring is finger size 6 5/8 and weighs 1.83 pennyweights; it is polished throughout and rhodium finished, and is style number 7014. The replacement value is based upon cost approach, the cost to create by Designer Jewels, Inc., and market information.

REPLACEMENT VALUE: \$




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Mark J. Sandler, G.G., C.G., ASA  
Master Gemologist Appraiser®

## CERTIFICATION ADDITIONAL

I certify that to the best of my knowledge and belief:

The statements of fact and data reported in this review are true and correct.

The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in review report, and are my personal unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report. I also have no personal interest or bias with respect to the parties involved.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have made a personal inspection of the property that is the subject of this report. (If more than one person signs this report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)

No one provided significant professional assistance to the person signing this report. (If there are exceptions, the names of each individual providing significant professional assistance are stated herein).

*The Appraisal of Personal Property*, Appendix 2, page 223, paragraph 8.7. All senior member appraisers should state in each report "The American Society of Appraisers has a mandatory recertification program for all its senior members. I am in compliance with the program.

## DEFINITION OF CURRENT MARKET VALUE

Current Market Value is the estimated price which the described property would bring at the time of the appraisal if it was offered for sale by one who desired, but was not obligated, to sell and was bought by one with knowledge of the property and who was under no necessity of making a purchase.

## DEFINITION OF VALUE

The values of items described in this appraisal are determined using one (1) method. This method is:

**Cost Approach:** research and analysis of the cost of a substitute property with equivalent function and desirability, providing an estimate of the depreciated reproduction, reproduction new or replacement cost new of the property. **This approach was considered, as it is relevant to the intended use of this appraisal.**

**Market Sales Comparison Approach:** research and analysis comparing sales of property similar enough to the property being appraised to permit detailed comparison, estimating value by comparison with properties sold in the relevant market, with adjustments made for all differences which affect value, such as differences in characteristics of value and in time. **This approach was considered, as it is relevant to the intended use of this appraisal.**

## LIMITING CONDITIONS

This appraisal as is herewith attached is subject to the following Limiting Conditions:

1. The property herein described is the legal property of the owner or duly appointed agent.
2. The undersigned appraiser assumes no responsibility for matters legal in character pertaining to the property herein described.
3. The value stated herein represents the appraiser's best estimate of the current market value of the described property for insurance purposes only and may not be shown or otherwise used for any other purpose. No copy of this report shall be made or given to any person for any purpose without the appraiser's expressed previous written consent. Third parties requiring further information than what is in the report must obtain the written permission of the owner if the appraisal before the appraiser will discuss the report.
4. It is understood and agreed that fees paid for this appraisal do not include the services of the appraiser for any other matter whatsoever. In particular, fees paid to date do not include any of the appraiser's time or services in connection with any statement, testimony or other matters before an insurance company, its agents, employees or any court or other body in connection with the property described herein. It is understood and agreed that, if the appraiser is required to so testify or to make any such statements to any third party concerning the described property or appraisal, applicant shall pay appraiser for all such time and services so rendered at appraiser's then current rates for such services.
5. This report is our valuation of the listed jewelry as of the date hereof and is not a contract to replace the jewelry at the listed value. By your acceptance hereof you agree that Designer Jewels may provide a different replacement cost to an insurance company or change its opinion of the replacement cost of the listed jewelry from time-to-time due to changes in the market value thereof.
6. Possession of this report or any copy thereof, does not include the right of publication. This report in its entirety, or any part, including the identity of the appraiser or firm, shall not be made public through advertising, public relations, news releases, sales or other distribution of information media without the written consent of the appraiser.
7. Possession of this report does not provide legal title to the items listed herein.
8. Periodic review of appraisal values is recommended due to economic fluctuations. The appraiser is not responsible for advising the clients when values have changed; clients must establish their own appraisal value review criterion.

## REFERENCE LIST

Sources are assumed to be reliable and the appraiser does not assume legal responsibility for their information.

- Geller, David S. *Geller's Blue Book to Jewelry Repair and Design Vol. 4.0*. JewelerProfit, Inc.; Atlanta, 2004
- Liddicoat, Richard T., Jr. *The Jewelers Manual*. GIA Publishing; Santa Monica, CA, 1967.
- *A.D. Leveridge Gauge Reference Book*. Micromat Co; Mahwah, NJ, 1964.
- *Designer Jewels Price List for Repairs and Custom Design*. Designer Jewels; Houston, March 2002
- *The Guide Reference Manual*. Gemworld International, Inc.; Northbrook, IL, 2004.
- *The Guide Diamond*. Gemworld International, Inc.; Northbrook, IL; September-October, 2011.
- *The Findings Book from Stuller Volume 74*. Stuller Settings, Inc; Lafayette, LA, 2010.
- *Gemology Tools Professional*. Version 8.4.31, 1995-2010.
- *Palmieri's Market Monitor*, September 2011, Vol. 30, No. 9
- *The Guide Color*. Gemworld International, Inc.; Northbrook, IL; September-October, 2011.

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Mark J. Sandler, G.G., C.G., ASA  
Master Gemologist Appraiser®

## GRADING AND NOMENCLATURE

All grading and nomenclature systems utilized by Designer Jewels, Inc. in the process of appraising are based upon standards set by the Gemological Institute of America.

### SCOPE OF WORK

The **scope of work** for this assignment will be to perform the range of procedures necessary to:

Identify, describe, define, and accurately evaluate each item and to assess a replacement value for each item for insurance purposes.

### PRIVACY NOTICE

#### Types of Nonpublic Personal Information We Collect

In the course of performing appraisals, Designer Jewels, Inc. may collect what is known as “nonpublic personal information” about you. This information is used to facilitate the services provided to you, and may include information provided to us by you directly or received by us from others with your authorization.

#### Parties to Whom We Disclose Information

Designer Jewels, Inc. does not disclose any nonpublic personal information obtained in the course of engagement with clients to nonaffiliated third parties except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information in order to assist in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

#### Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to contact Designer Jewels, Inc. any time if you have any questions about the confidentiality of the information that you provided.

### CONSULTANTS & QUALIFICATIONS

Kylie Henry, CSA, Graduate Diamonds

## CURRICULUM VITAE

Mark J. Sandler, G.G., C.G., ASA  
 Master Gemologist Appraiser®  
 Designer Jewels, Inc.  
 5433 Westheimer Road, Suite 400  
 Houston, Texas 77056

- PRESENT** Designer Jewels, Inc., servicing retail jewelers and designers throughout the United States of America. The business was established in December 1968.
- EDUCATION** University of Texas in Austin, B.B.A., 1979  
 Gemological Institute of America, Graduate Gemologist, Earned in Residence, 1980  
 American Gem Society, Registered Supplier, 1983  
 American Gem Society, Certified Gemologist, 1984  
 American Society of Appraisers, Accredited Member, Gems & Jewelry, 1987  
 American Society of Appraisers, Accredited Senior Appraiser, Gems & Jewelry, 1995, re-certified 2000, 2005.  
 Jewelers Vigilance Committee, Jewelers Board of Appraisal Review, completion 2003  
 USPAP (Uniform Standards of Professional Appraisal Practice) 1995 re-certified 2000, 2005, and 2008.  
 American Society of Appraisers, Personal Property-Gems & Jewelry, Appraisal Theory and Application #205, completed 2009  
 American Society of Appraisers, Personal Property-Gems & Jewelry, Appraisal Techniques and Standards #206, completed 2009  
 American Society of Appraisers, Master Gemologist Appraiser®, 2009  
 Accredited Senior Gemologist, Accredited Gemologists Association, 2009  
 Certified Gemological Laboratory #40, Accredited Gemologists Association, 2010
- PROFESSIONAL AFFILIATIONS** American Society of Appraisers  
 American Society of Appraisers, Houston Chapter, Past President, 2002-2003  
 Gemological Institute of America Alumni Association, Diploma member, 1983  
 Gemological Institute of America Alumni Association, South Texas and Houston Chapter (Past President, Past Vice President, Past Secretary, Past Treasurer)  
 Jewelers Security Alliance, Firm Member  
 Accredited Gemologists Association
- PUBLICATIONS** “New York Times”, Sunday Edition as published by the “Washington Post”, 1985

## GLOSSARY

### **Appraisal**

Appraisals are written or oral reports which communicate value.

### **Characteristics of Value**

Characteristics of value are primarily questions of fact and have an objective relationship to the marketplace.

### **Conformity**

Conformity is a principle that basically has to do with trends, cycles, and general market attitudes.

### **Condition**

Condition is the physical description of the property as to its completeness for performing an identified role. Impairments could be any form of damage or loss of components, wear and tear, or inappropriate or unacceptable repairs.

### **Consumer Price Index**

Consumer price index is the total cost of purchasing a large and varied “market basket” of consumer goods, compared to the total cost in other years and expressed as a ratio.

### **Contribution**

Contribution is the principle states that certain attributes contribute to the value of the whole, and the lack of the same particular attributes detracts from the valuation of the whole.

### **Elements of Quality**

Elements of quality are primarily questions of aesthetic judgment, independent of economics and fashion.

### **Identification**

Identification as a principle states that if the identifying characteristics of a genuine article have the same characteristics as the subject property, then the subject property is assumed to be genuine.

### **Original Cost**

Original cost is the actual cost to the current owner.

### **Personal Property**

Personal property is tangible, movable property which is utilitarian, collectible or decorative, or in combination.

### **Qualitative Ranking**

Qualitative ranking or qualification as a principle states that appraisers rendering opinions on quality, or artistic merit of a property, do so by comparing the quality and characteristics of the characteristics of the subject property with those of like properties.

### **Substitution**

Substitution is when a property can be easily replaced by another; the value of such property tends to be set by the cost of obtaining an equally desirable substitute property.

### **Value**

Value is a social agreement; it is the consensus among people interested in a property of what is a reasonable price for that property.