



5433 Westheimer, Suite 400 ♦ Houston, TX 77056
Phone (713) 623-6996 Fax (713) 623-6898

October 10, 2022

Mr. John Doe
123 Main
Anytown, USA

Dear Mr. Doe,

This letter transmits the following report, #200340 concerning one item of jewelry, identified as your personal property, submitted to Designer Jewels, Inc., for an opinion of estimated current replacement value. This report has 8 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 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.

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 total Replacement Value of the item is:

\$0.00
zero 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:

Mr. John Doe
The insurance company of the clients choosing

Thank you for your business.

Sincerely,

A handwritten signature in blue ink, reading 'Mark J. Sandler'.

Mark J. Sandler, GG ASA
Master Gemologist Appraiser

GEM AND JEWELRY VALUATION

APPRAISAL REPORT FOR THE EXPRESS PURPOSE
OF USE IN
INSURANCE SCHEDULING

Prepared
For

Mr. John Doe
123 Main
Anytown, USA

Appraisal Date:	October 10, 2022
Purpose:	Jewelry Insurance
Report Number:	200340
Report Replacement Value (NEW):	\$0.00

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

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This report is valid only in its entirety and for its stated purpose and intended use and was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

VALUATION LETTER

October 10, 2022

Mr. John Doe
123 Main
Anytown, USA

Dear Mr. Doe,

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 \$0.00. 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.

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,



Mark J. Sandler, GG ASA
Master Gemologist Appraiser

DATES

Inspection Date: 10/10/2022
Report Date: 10/10/2022
Effective Date: 10/10/2022

Prepared For: Mr. John Doe
123 Main
Anytown, USA

Date: 10/10/2022

DESCRIPTION OF ITEM

ITEM 1 - RING

The value of this item is based on a comparable new item. For the intended use of this report and chosen value type, the cost approach to value was utilized by analyzing anticipated wholesale costs of materials and labor to which was applied the modal markup to retail. Due to the quality, condition, and relative ranking of this item within its class, the relevant market chosen was the primary retail, brick and mortar, single-store level of the gems and jewelry trade. The overall value trend in that market within reasonable proximity to the valuation date was generally stable.

Replacement Value (NEW) Excluding Tax \$0.00

ZERO DOLLARS

Signature of Appraiser:



Mark J. Sandler, GG ASA
Master Gemologist Appraiser

CERTIFICATION ADDITIONAL

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and they are my personal, impartial, professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) 2020 – 2021 Edition, published by the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report, unless otherwise clearly stated.
- No unnamed person(s) provided significant personal property appraisal assistance to the person signing this report.



Mark J. Sandler, GGASA
Master Gemologist Appraiser

LIMITING CONDITIONS

- The property herein described is the legal property of the owner or duly appointed agent.
- The undersigned appraiser assumes no responsibility for matters legal in character pertaining to the property herein described.
- 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.
- 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.
- 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.

- 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.
- Possession of this report does not provide legal title to the items listed herein.
- 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. 5.0*. JewelerProfit, Inc.; Atlanta, 2011
- A.D. Leveridge Gauge Reference Book. Micromat Co; Mahwah, NJ, 1964.
- Gemguide.com
- Stuller.com
- Gemology Tools Professional. Version 9.2.42, 1995-2013.
- Palmieri's Market Monitor, Vol. 39, No. 8

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.

Advanced laboratory testing is required to conclusively identify whether a diamond is naturally produced (I.S., a mined diamond) or of natural color (i.e., not altered by man or a man-made, laboratory created diamond (aka "laboratory grown diamonds" or "[brand name] – created diamond"). This advanced laboratory testing is cost-prohibitive, particularly when it comes to identifying melee diamonds, and therefore is outside of the scope of this assignment. The diamonds described herein were not tested for origin (natural or laboratory-created) or origin of color (natural or treated). Standard screening procedures were performed, including fluorescence and magnification. Supporting documentation was considered when available. All diamonds are assumed to be of natural origin and of natural color unless otherwise stated in this appraisal report.

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.

The values of items described in this appraisal are determined using one (1) of the three (3) methods:

- **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.
- **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 not considered, as it is not relevant to the intended use of this appraisal.**
- **Income Approach:** research and analysis to identify the present value of the personal property to estimate the market income, operating expenses, estimated rates of capitalization and/or rates of discount of the subject item. **This approach was not considered, as it is not relevant to the intended use of this appraisal.**

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 ensure 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 AND QUALIFICATIONS

Phyllis M. Painter, GG – Gemological Institute of America, 2001

CURRICULUM VITAE

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

PRESENT Designer Jewels, Inc., serving retail Jewelers and designers throughout the country. The business was established in December 1968.

EDUCATION The University of Texas at Austin, B.B.A., 1979
Gemological Institute of America, Graduate Gemologist, Earned in Residence, 1980
American Society of Appraisers, Accredited Member, Gems & Jewelry, 1987
American Society of Appraisers, Accredited Senior Appraiser, Gems & Jewelry, 1995, re-certified 2000, 2005, 2010, 2015, 2020
American Society of Appraisers, Master Gemologist Appraiser. 2009. Re-certified every 5 years, 2014, 2019
Jewelers Vigilance Committee, Jewelers Board of Appraisal Review, completion 2003
USPAP (Uniform Standards of Professional Appraisal Practice) 1995 Re-certified 2000, 2022
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, Personal Property -Gems & Jewelry, Appraising Gems and Jewelry for Advanced Assignments, Development and Report Writing #GJ203, completed 2017
Accredited Senior Gemologist, Accredited Gemologists Association, 2009
Certified Gemological Laboratory #40, Accredited Gemologists Association, 2010
Appraisal Standards Board. Uniform Standards of Professional Appraisal Practice 2020-2021.
Washington, DC: The Appraisal Foundation, 2019 (extended through December 31, 2022), passed, re-accreditation 2022-2024

PROFESSIONAL AFFILIATIONS American Society of Appraisers
American Society of Appraisers, Houston Chapter, Past President, 2002-2003
American Society of Appraisers, Board of Governors, Regional Governor, Region 3, 2016 – 2020
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 Magazine”, Sunday Edition as published by the “Washington Post”, 1985
Real Simple Magazine, 2013