

TRANSMITTAL

March 24, 2009

Name
Address
Address

Dear Name,

This letters transmits the following report, #, concerning **one (1)** item of jewelry, identified as your personal property, submitted to Designer Jewels, Inc., for an opinion of estimated current replacement value.

My instructions for this assignment were to provide an assessment of replacement value for insurance purposes.

I certify that I have conducted an examination of the item listed in this report. The examination and analysis of the subjects were performed in the offices of Designer Jewels, Inc., Houston, Texas on the **16th of March 2009**.

Based upon thorough inspection of the items 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 items is:

\$
(Dollars)

As stated on page nine, 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:

Client's name
The insurance company of the clients choosing

Thank you for your business,

Mark J. Sandler, G.G., C.G., ASA
Designer Jewels, Inc.

APPRAISAL FOR:

Name
Address
Address

APPRAISAL BY

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

Appraisal Date:	March 24, 2009
Appraisal Purpose:	Jewelry Insurance
Report Number:	#
Report Replacement Value:	\$

Letter of Transmittal

Title Page

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March 24, 2009

Name
Address
Address

Dear Name:

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 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 descriptions, Designer Jewels 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 that 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 recommends reevaluating the values of your jewelry every two years. 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, G.G., C.G., ASA
Gems & Jewelry

EXAMINED DATE: March 16, 2009
 APPRAISAL DATE: March 24, 2009

Name
 Address
 Address

ITEM 1

1 – Lady’s 14-karat white gold and diamond engagement ring. The ring consists of ninety-eight (98) round brilliant cut diamonds and one (1) oval brilliant cut diamond. The center diamond is described as:

SHAPE AND CUT	Oval Brilliant
Measurements	7.07mm long by 5.04mm wide
Weight	1.00 carat
PROPORTIONS	
Depth	3.79mm; 75.2%
Table	52%
Girdle	Thick, Faceted
Culet	None
FINISH	
Polish	Good
Symmetry	Fair to Good
CLARITY GRADE	VS ₂
COLOR GRADE	D
Fluorescence	None, L.W.U.V.
EGL REPORT #	2704072931
EGL REPORT DATE	April 11, 2007


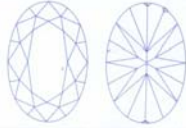

COMMENTS

The diamond is set with four (4) prongs and encircled in milgrain accenting. Set around the milgrain are twenty (20) round brilliant cut diamonds set with four (4) “shared” beads each, with another ring of milgrain accenting around them. There are six (6) round brilliant cut diamonds set on the top of each side of the shank set with four (4) “shared” beads each. There are also five (5) round brilliant cut diamonds set in each side of the shank, for a total of twenty (20) diamonds, all set with four (4) “shared” beads. The ring is a “cathedral” style ring with lower bands underneath the shank. Each side is set with five (5) round brilliant cut diamonds with four (4) “shared” beads each. All of these diamonds are bordered by milgrain accenting. There is a bezel set diamond in the center of each lower band and on each end of the bands where they meet the shank, for a total of six (6) bezel set diamonds. All of the round brilliant cut diamonds measure approximately 1mm in diameter, are estimated to weigh .01 carat each, and together weigh .98 carat. They are H to I color and SI₂ to I₁ clarity. The top of the ring measures 13mm wide. The shank measures 2mm wide by 1.5mm thick and is stamped

“MS”, “©”, and “14K”. The ring is finger size 6½ and weighs 4.48 pennyweights. The replacement value is based upon cost approach and the diamond certificate grading.

REPLACEMENT VALUE: \$



DIAMOND CERTIFICATE REPORT		ISSUED BY: E.G.L.	
EUROPEAN GEMOLOGICAL LABORATORY			
		INSTITUTE FOR CERTIFICATION OF DIAMONDS AND PRECIOUS STONES	
NOTE: This document contains security features to prevent unauthorized duplication.		This examination has been scientifically carried out by a Graduate Gemologist using the current procedures of E.G.L., and may be repeated at any time.	
Laboratory Report Certificate No : 2704072931		ISO 9001:2000 / AGM04	
Date: April 11, 2007		CLARITY REPRESENTATION	
WEIGHT: 1.00 Cts.		Internal characteristics shown in red. External characteristics and inclusions shown in green. Extra facets shown in black. Symbols indicate nature and location of identified characteristics, not their actual size. Hairline features in green, minor blemishes, and minor details of polish and finish not shown.	
Shape and Cut: Oval Measurements: 7.07 - 5.04 x 3.79 mm.			
PROPORTIONS Total Depth: 75.2 % Table Width: 52 % Crown Height: 23 % Pavilion Depth: 45 % Girdle Thickness: Thick, Faceted		FINISH Polish: Good Symmetry: Fair to Good Cut: None	
CLARITY GRADE: * VS2			
Graining: Nil		ORIGINAL This report is valid only upon request of the laboratory and is not to be used for any other purpose. The report represents an opinion based on the examination of the stone. It is not a guarantee, a valuation or an appraisal. Any loss, E.G.L. has made no representation or warranty regarding this report as it is not a guarantee. This diamond grading is not a guarantee. The report represents a best professional opinion of the company E.G.L. It is not responsible for diamonds which would have been reported as such by other methods, some methods or other than those chosen by E.G.L.	
COLOR GRADE: ** D		* Clarity grade based on 10 X magnification with corrected lens. ** Color based on master color diamonds comparison. The laboratory does not and may not appraise stones which are submitted for inspection.	
Fluorescence: None		ONLINE VERIFICATION SERVICE AT WWW.EGL-LABS.COM	
Comments:			

Mark J. Sandler, G.G., C.G., ASA
Gems & Jewelry

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 name of each individual providing significant professional assistance is stated herein).

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) of the three (3) methods. These three (3) methods are:

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.

Income Approach: research and analysis of the present worth of anticipated income.

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.
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.

REFERENCE LIST

- 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.
- *Roseco Inc. X*. Roseco Incorporated; Dallas, TX, Tenth Edition
- *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; January-February, 2009.
- *The Findings Book from Stuller Volume 57*. Stuller Settings, Inc; Lafayette, LA, 2008.
- *The Gem Guide Color*. Gemworld International, Inc.; Fall/Winter 2008.
- *Gemology Tools Professional*. Version 8.0.0, 1995-2007.

Digital photographs taken by Kylie Henry. Initial measurements, stone grading, and reports drafted by Kylie Henry. All reports and information contained therein substantiated by Mark J. Sandler.

Mark J. Sandler, G.G., C.G., ASA
Gems & Jewelry

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.

CURRICULUM VITAE

Mark J. Sandler, G.G., C.G., ASA
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.
- 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
- 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.