

Section 23

2002-2003 UPDATE

There have been many new and fascinating developments that have occurred in the last two years. The internet as a 'mode of communication' in the purchase of a diamond has proved to be an invaluable tool to the savvy consumer. The consumer can learn more spending three productive hours in front of the computer than he or she can spending three weeks shopping. This UPDATE section will direct you to the right sites so that you don't get frustrated and waste anytime on the internet. There are literally hundreds of web sites out there and the process of buying a diamond can be mind boggling and very confusing.

I, Martin Sheffield, am directly involved in the diamond internet business and am certainly in a position to guide you accordingly.

Firstly, establish a budget that you feel comfortable with. The next step is to spend time and visit several recommended internet companies. To get a good background education on diamonds this book is of course very useful. One useful educational site is <http://www.diamondreview.com> This site offers you many invaluable tips, gives you a general background knowledge of diamonds, and has a form that you can fill out that will immediately put the most reputable diamond dealers to work for you.

One other highly recommended site is <http://www.diamondchitchat.com> This site offers you an excellent educational background, brings you right up-to-date on the latest diamond developments and also has a diamond search fill in form that will immediately put the best internet diamond suppliers in touch with you. This site has a no-nonsense discussion forum that is simply there to help you in the purchase of your diamond. This forum does not have the in house bickering and 'one dealer attacking another dealer' type of setup. All posts are carefully monitored so that they benefit the consumer. You are apt to learn quite a bit about diamonds by going over the posts on this forum. This site tells you everything and will certainly be beneficial to you.

Another highly recommended site for today's consumer is <http://www.pricerscope.com> At this site you can click in the details of the diamond that you want and you have a number of reputable dealers competing against one another to sell you a diamond. The same diamond may be listed by many dealers all with different prices. This is indeed a fascinating site to visit. The dealer with the lowest price is not necessarily the right choice. You have to consider the services offered, the extras offered, credit card vs. cash prices, return policy, shipping costs etc. etc. Before purchasing, I certainly recommend visiting 'pricerscope'. There is great educational material on that site as well.

One very highly recommended site that offers you the very latest in educational updates is <http://diamonds-diamonds.info> This site will bring you right up-to-date on the latest technological and scientific developments that will ultimately help you choose the right diamond.

Another highly recommended site for general education is <http://www.a-diamonds.com> This site is similar to <http://diamonds-diamonds.info> and will give you great background information.

By the way, when you go to these sites they will have multi-jeweller search forms to fill in. These are a great idea!!!! They will get very reputable diamond retailers to instantly go to work for you to help you locate the right diamond. Just fill out a few forms at a few sites and you'll have a whole team of specialists all trying to find you the perfect diamond at the lowest possible price. What better service could you possibly expect than that?

Once you've established your budget you would email or phone one of several recommended internet companies. Being a dealer myself I will recommend other companies that I know will go all out to help you obtain the highest best value for the lowest possible price. I will also recommend my own company since I truly believe that myself and my staff will serve you to our absolute best ability and make absolutely sure that you receive the highest grade diamond at the lowest possible price. The diamond internet company that I own may be visited at <http://www.usacerteddiamonds.com> Either myself or any of my staff will give you that personalized, dedicated, and sincere service that will lead to your complete and total satisfaction.

Summary of Steps to Follow on Your Diamond Purchase

- 1. Establish your budget that you feel most comfortable working within.*
- 2. To achieve 'biggest bang for your buck' I would recommend going for a clean SI-1 with inclusions preferably under the crown facets and no feathers that extend to the girdle. VS-2 is also a recommended clarity grade. To pay extra for a higher clarity grade such as a VS-2, VS-1, VVS-2, VVS-1 or IF does not assure you of more brilliance. Yes, an SI-1 could certainly look just as beautiful and just as brilliant as a VS-2. With larger diamonds, depending upon the location and size of the inclusions, there is always the possibility of seeing an inclusion in either an SI-1 or a VS-2. You would not be able to see an inclusion in a VS-1 clarity grade or higher. There is nothing wrong with going for a high clarity grade as long as you realize that an SI-1 or VS-2 will ultimately give you the same overall brilliance.*

A personal observation I have noted is that GIA has seemed to loosen their clarity standards appreciably. In diamonds over 1 ct. what used to be an SI-1 could now be a VS-2. Yes, believe it or not, I have made that observation over the last year or so!!!!!! This loosening of clarity standards applies to GIA certs and not to AGS certs.

3. Color is a matter of personal taste. Some clients prefer a yellowish tinge and will look for I or J colored diamonds. However, most people prefer a fine white and I would therefore recommend H or higher. Officially, any diamond that has an 'H' color rating would be defined as having a white color. 'G' would be defined as 'top white'. 'F' would be defined as 'rare' white. 'D' and 'E' are defined as 'rarest white'. Often, it is stated that 'D' and 'E' have the same degree of whiteness however, the 'D' has a very slightly higher degree of transparency.

I have found that lately there has been a trend for the very astute clients to purchase good SI-1, 'F' colored diamonds with 'premium' or 'slightly out-of-ideal' cuts. I will discuss this further in the next section. By combining these 3 c's in that combination they are ending up with an exceptionally beautiful diamond at a great price. And it wouldn't make the diamond look any more beautiful if it were higher in clarity, color or cut!!!!!!!!!!

- 4. The 'cut' of course is very important and it is not absolutely necessary to go 'ideal' or 'super-ideal branded H&A' but having a premium or 'slightly out-of-ideal' cut will result oftentimes in just as beautiful a diamond.*

*For round diamonds I would tend to keep the depth between 59.5% and 62%. Even though ideal is up to 63%, I would still keep the depth at 59.5% to 62.0% in order for the diamond to have the right brilliance. If the diamond is cut too shallow it will tend to be glassy and could even have the 'fish-eye' effect. If the diamond is cut too deep, then it has excess weight in the depth that will create a dark appearing diamond. That excess weight in fact detracts from the overall brilliance. **You're oftentimes better off going for a smaller weight diamond with a better depth percentage. This will visually give you the same size diamond in terms of diameter, but the heavier one will not look as good due to the darker appearance caused by the excess weight in the depth of the diamond.***

Ideal tables are from 53% to 57% and the best are at 55% and 56%, however, to get best value for your money it is fine to go for a table that is 58, 59, 60 or even 61%. A 58% or 59% table is a 'premium' table and will create just as beautiful a diamond as the 53 to 57% table. However, because the diamond is premium you will end up paying less, for just as nice a diamond. You may pay as much as 10% less for a premium 'make' over an 'ideal' make.

In regards to a 'premium' make, the table should be either 58, 59 or 60% and the girdle shouldn't be less than thin or more than slightly thick. The best girdle reading is

'medium' followed by 'thin to medium'. So my formula for obtaining 'biggest bang for your buck' without sacrificing quality and ending up with a beautiful diamond is to go for a VS-2 to SI-1 clarity, F or G color, and a 'Premium' cut. This applies only to round cut diamonds.

For fancy shaped diamonds, the clarity and color rules apply however the cut rules differ. What I suggest is going to <http://www.pricerscope.com> and to view all the different percentages that are acceptable for fancy cuts. Usually the 2nd. Or 3rd. grouping from the top ranking depth and table % for any particular fancy shape will result in a beautiful diamond. You are more than welcome to call myself, Martin Sheffield at 1800 252 1476 and will go through all the cut details for that particular shape of fancy cut diamond that you plan on purchasing.

*5. Even though you have a GIA cert and the depth and the table have ideal or premium proportions that still does not ensure that the crown height and pavilion depth have the right proportions. The diamond internet dealer will supply you with a few GIA or AGS certs for the best diamonds to fit your budget. **For any diamond that you are seriously considering, also ask them to send you a Sarin report.** The sarin report will give you the angle measurements in degrees as well as the crown height and pavilion depths. This information is not provided on the GIA cert. Discuss the results of the Sarin report and the GIA cert with the independent gemologist that you plan on taking the diamond to appraised before purchasing.*

Having the loose diamond sent to an independent appraiser.

At this stage you would ask the diamond dealer to arrange to send the diamond to either an appraiser in your city or to a very highly acclaimed and reputable appraiser such as Bill Leiberum at Consumer's Gem Lab in Boca Raton, or to Dave Atlas at Gem Appraisers. Most diamond internet retailers have no problem with that whatsoever. You tell the diamond internet

dealer that you would only pay for the diamond once you see it at the appraisers and you approve of it. Or, alternately, it has met the approval of an appraiser such as Bill Lieberum or Dave Atlas. If the Diamond Internet Dealer sent the diamond to Bill Lieberum or Dave Atlas, they in turn would send the diamond to you once it is determined that everything is OK. Of course you would pay the Diamond Internet Dealer before they send the diamond to you. Alternately, you would make arrangements to pay the Diamond Internet Dealer before the diamond is taken from the local appraiser in your city. When choosing a local appraiser it is very important to question them about their credentials. You want to make sure that they are totally unbiased and independent. You don't want them 'knocking' the diamond sent to you by the Diamond Internet Dealer just so that they can sell you one of their own!!! I would only send a diamond to a local appraiser or to Bill Lieberum or Dave Atlas providing the diamond is accompanied by a GIA or AGS or EGL report.

Bill Lieberum's company is Consumer's Gem Lab and is located in Boca Raton. His web site is: <http://www.consumersgemlab.com> His telephone is (561) 392-4054. I could honestly say that Bill Lieberum is the top appraiser in the country. Just by talking to him on the phone for a few minutes, you will immediately gain that sense of confidence that is so important!!!!!! He also addresses the issue of 'strain' in diamonds which no other appraiser mentions. I will discuss this topic shortly.

Be a little more cautious with EGL reports. You can oftentime get a great buy on a diamond with an EGL report however, the Diamond Internet Dealer should verify with the diamond wholesaler that they received the diamond from, that it in fact matches the EGL report. GIA and AGS tend to be a lot stricter. EGL certed diamonds are lower in price than GIA or AGS certed diamonds. Again, be cautious with an EGL cert and make sure that the clarity and color grade assigned in the EGL report is correct.

Having a diamond sent to an independent accredited Gemologist Appraiser is recommended over sending the diamond to a Jeweller in your city. You will get an 'unbiased'

opinion from the appraiser-gemologist. However, many jewellers can also reasonably fill the position of the independent unbiased appraiser as well. Many smaller towns do not have an independent appraiser whose only business it is to appraise diamonds. So yes, if it is sent to a local jeweller please make sure that they do not knock the diamond being sent just to sell you their own.

The Brilliance Scope Advantage

By having your loose diamond shipped to Bill Lieberum at Consumer's Gem Lab you have the advantage of obtaining Brilliance Scope readings on the diamond. The brilliance scope is a machine developed by <http://www.gemex.com> that will give you an actual measurement of the white light, color light and scintillation that the diamond produces. Sometimes a diamond may be ideal, and have overall great measurements in every respect, yet for some reason or other just doesn't have that 'oomph' to it. That's why the 'brilliance scope' is a very important tool to confirm what you believe to be high brilliance. The problem is that there are very few of these machines around since they are so costly. As far as I know, as of the current time, Jan.03, Bill Lieberum at Consumer's Gem Lab is the only independent appraiser-gemologist with a 'brilliance-scope' machine.

The Branded Hearts and Arrows

If you want a total assurance of having a super-ideal cut diamond with extremely high brilliance, then I would recommend purchasing a 'SuperbCert' branded H&A diamond. The complete inventory is available for viewing at <http://www.usacerteddiamonds.com> For each diamond you will see the GIA report, the Brilliance Scope report, the Megascop report (advanced Sarin report). The 'SuperbCerts' continually obtain extremely high (Very High or higher) readings on the 'Brilliance Scope' machine. On the GIA certs they must have an Excellent Polish, and Excellent Symmetry. The table reading is either 55% or 56%. The depths are usually in the range of 60.0 to 61.7%. The girdles are usually thin to medium

or medium. The 'SuperbCerts' are certainly top grade diamonds with the highest possible brilliance. They are priced very reasonably and are perhaps just slightly higher than a regular 'ideal' cut. I very highly recommend them.

Locating an Appraiser.

You can direct your diamond internet dealer to send the diamond to the appraiser of your choice. A whole list of very reputable ones may be found on <http://www.diamondchitchat.com> You may also go to <http://www.appraisers.org> to locate an appraiser. If you're still having problems for your city, then search the yellow pages on the internet for that city.

Locating a Jeweller or Goldsmith to do the setting.

At the independent appraiser he is oftentime able to supply the name of an excellent trusting goldsmith for you to work with. Sometimes, the appraiser will undertake to have the setting completed for you, and you would just pay the appraiser-gemologist extra for that service. That would be the ideal situation. He will coordinate everything and he will check to make sure that the setting is of the high calibre that you expect.

Important Note concerning insurance.....

You can now obtain insurance on the loose diamond and the diamond engagement ring by itself. It used to be that insurance was done only in conjunction with a household policy. Just contact David Stone from Chubb insurance at 1800 473-6603 or 561 395-1453 and he will direct you to the appropriate Chubb agent in your city.

Insurance is important on a loose diamond, as it is possible for a loose diamond to break during setting. Any diamond that has high internal levels of strain, close-to-

surface large fractures, and many inclusions pose more of a risk to breaking during setting than other diamonds.

If you purchase from a diamond internet company then you are responsible for the loose diamond once you sign for it. Yes, it would be nice to have insurance on the loose diamond. Phone David at Chubb.

Concerning Strain.....

Certain diamonds may have high levels of internal strain that will make the diamond more susceptible to breakage. The diamond would basically have to be 'loaded with strain' in order for it to be more vulnerable in the course of everyday wear and in the course of setting. The only way to determine if a diamond has strain and 'how much' strain would be to send it to Bill Leiberum at 'Consumer's Gem Lab'. Bill is the only gemologist that I know of that checks for strain. One more truly valid reason to send the diamond to Bill Leiberum.

Recommended Procedure for Safely Purchasing a Diamond

In order to purchase the highest quality 'best value' diamond I would highly recommend following the steps as outlined below:

- 1. Educate yourself fully on diamonds. Read about all the 'ins and outs' of diamonds. Educate yourself at <http://diamondchitchat.com> <http://www.pricescope.com> <http://www.a-diamonds.com> <http://www.diamonds-diamonds.info> <http://www.diamondreview.com>*
- 2. Find a reputable diamond internet company. <http://www.usacerteddiamonds.com> is very highly recommended. Explain your needs and requirements and have them send you a detailed list of diamonds that match your parameters. Go carefully through the list in order to pick out the most suitable diamond.*

3. *Negotiate the price. No company wants to lose a sale!!! Let the 'diamond internet company' call their supplier to see if they can get a better deal so that they can pass the savings directly off to you.*
4. *Once you located the right diamond—don't pay yet. Have it sent to an independent, accredited gemologist-appraiser in your city. It should be sent to some one unbiased whose only business is appraising gems.*
5. *Or, alternately you can have the 'diamond internet company' ship the diamond directly to you, and you find your own means of verification. Again, be careful that you take it to an appraiser-gemologist totally knowledgeable and unbiased. You normally have 7 to 10 days to return a diamond.*
6. *Or, send the diamond to Bill Leiberum at Consumer's Gem Lab. He'll basically do everything to the diamond including the Brilliance Scope. If he says the diamond's OK, then trust me.....it's OK. Bill Leiberum reveals all. He 'lives and breathes' for the consumer. Bill will then ship the diamond directly to you.*
7. *Of course, if the accredited independent unbiased appraiser gemologist does not approve of the diamond then have it returned to the 'diamond internet company'. Phone them for return instructions. Make sure it is fully insured when returning.*
8. *It is normal for the client to pay the appraiser for his services. It is also normal for the client to pay for return insured shipping charges.*
9. *Once the diamond is returned then the 'diamond internet company' can either find you an alternate diamond or refund you.*

10. If everything checks out fine at the independent unbiased appraisers, then I recommend that you consult with the appraiser concerning the setting. Perhaps the appraiser can look after everything for you or he can recommend someone for you.

11. Have the 'diamond internet company' supply you with a complimentary appraisal for the insurance company. Make sure that you always have insurance on the ring. Check the prongs on a regular basis to make sure that they are tight. Enjoy the diamond!!!!!!!