

PAID ADVERTISEMENT

# HOW TO BUY DIAMONDS WITH CONFIDENCE AND KNOWLEDGE

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For the average consumer buying a diamond can be one of the most confusing and frustrating experiences imaginable. The consumer is often confronted with a barrage of conflicting claims from various jewelers intent on selling their product. If the consumer is not armed with adequate product knowledge, he stands little chance for success in the jewelry marketplace.

## The Gemological Institute of America

Serious shopping for diamonds begins with an understanding of the Gemological Institute of America (GIA) and its diamond grading system. The GIA is a non-profit organization dedicated primarily to the pursuit of gemological education. It owns and operates the most prestigious trade laboratory for the identification and classification of gem stones in this country. The GIA is considered by the diamond industry to be the final and most authoritative word on diamond grading standards in the United States and its grading system for diamonds is, by far, the dominant grading system used by diamond cutting firms and jewelry manufacturers in this country today.

Knowledge of the GIA grading system is a pre-requisite for informed buying of diamonds, and knowledge of that system without an actual "hands on" demonstration is virtually impossible. At Nebraska Diamond we give all customers a thorough explanation and demonstration of the GIA diamond grading system using actual examples, so that the customer can see with his or her own eyes the characteristics and appearance of the various grades. As the accompanying chart shows, there are a total of 253 separate and distinct combinations of GIA grades, and each has its own price list. The two principal reasons why consumers need this special instruction and knowledge to survive in the jewelry marketplace are:

1. Many jewelers invent their own personal grading system because by doing so they make it difficult or impossible for the consumer to compare shop. The GIA system gives the consumer a standard of comparison.
2. Jewelers who do represent diamonds to consumers in GIA terms often "puff" the grade up to whatever level is necessary to make the sale. A diamond which is assigned a GIA grade by one of these jewelers may actually be inferior to a diamond offered, with a seemingly lower GIA grade, by a jeweler who adheres to the strict grading standards we use at Nebraska Diamond. The unfortunate result is frequently a customer who is duped into purchasing a low quality diamond. At Nebraska Diamond we will show you how to identify the various grades by yourself, and we will guarantee the quality of your diamond in GIA terms in writing. You do not get the Nebraska Diamond guarantee at any other jewelry store.

## The Relationship of Color, Clarity and Cut

Color, clarity and cut all have an important impact on the ultimate value of your diamond. The order of importance of these characteristics and the relative value of each is:

1. Color: Represents 50% of the value
2. Clarity: Represents 35% of the value
3. Cut: Represents 15% of the value

Color refers to the hue present in the body of the diamond. Color is observed by placing the diamond upside down in a white color grading trough and viewing through the side of the gem. Among color, clarity and cut, color is the characteristic most easily noticed by the human eye and it has the most impact on the appearance of the gem, hence, color carries the most value.

Clarity refers to a measurement of the internal flaws and surface blemishes present in or on a diamond. Sometimes internal flaws and surface blemishes can be seen only under magnification. To magnify the diamond a jeweler's loupe or a microscope is used. The microscope is often used more as a sales tool than a gem instrument because its "laboratory" appearance can be impressive to consumers. The microscope, however, is a cumbersome piece of equipment and is less flexible than the loupe for examination of diamonds. For these reasons, among others, the loupe is by far the dominant diamond grading instrument used by diamond dealers. Among color, clarity and cut, clarity

is the second most observable characteristic and has the second most impact on the appearance of the gem, hence, clarity carries the second most value.

Cut refers to the proportions of the diamond. A diamond can be cut to any one of an infinite number of proportions depending on the angles of the facets. These angles can vary from diamond to diamond. As explained below, proportion analysis is extremely subjective and the effect of differing proportions on the appearance and value of the diamond is often a matter of opinion. Generally, however, cut is the least observable characteristic from a quantitative standpoint and, hence, cut carries the least value.

## Cut: The Misunderstood "C"

Among the "4 C's" (Carat Weight, Color, Clarity and Cut), the subject of diamond proportioning (Cut) is easily the most misunderstood. An examination of the GIA Proportion Chart quickly reveals that a round diamond may be cut to any one of at least 126 different proportions and still be considered in total conformity with GIA specifications for a properly cut diamond. Some jewelers carry a limited selection of diamonds cut to only one proportion. Of course they often represent to the uneducated consumer that their cut is the "best" cut. Sometimes they give their cut a title, such as "A" cut and represent that other cuts are "B" cuts or "C" cuts or even lower. Such titles are absolutely meaningless, they do not even exist in the diamond industry for any practical purpose and they are generally in-house inventions intended primarily to create a certain calculated impression in the consumer, an impression which the jeweler hopes will lead to a sale. In fact there is no agreement in the diamond industry on what constitutes the "best" cut. This is because the main factors affected by cut (dispersion, scintillation and brilliance) cannot all be maximized in the same gem.

"Dispersion" is sometimes referred to as "Fire." Dispersion means the ability of the diamond to break down light into the spectral colors (blues, reds, yellows, etc.).

"Scintillation" is sometimes referred to as "Sparkle." Scintillation refers to the play of the light between and as reflected off of the diamond facets.


"Brilliance" refers to the ability of the diamond to return colorless light to the viewer. There is no such thing as a diamond cut to maximum dispersion, maximum scintillation and maximum brilliance all at the same time. By cutting to maximize one of these factors, the other two are compromised, and since all three are of equal importance, it is impossible to authoritatively classify one type of cut as the "best."

Sometimes jewelers refer to the diamonds they sell as "precision cut" or "cut to maximum beauty." Such terms have no uniform definition and, as such, are meaningless. Often they are used to impress uneducated consumers and sidestep the jeweler's obligation to fully inform his customer regarding the technical aspects of cut. Seldom is the subject of cut properly and fairly explained to the consumer. You should suspect any jeweler who engages in the practice of using meaningless terms or the practice of "pushing" a particular cut without fully explaining your options to be serving his own interests at the expense of yours.




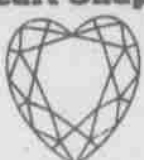
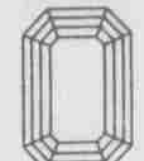

## The Misnomer of The "Ideal Cut"

One cutting proportion which is sometimes touted as the "best" is called the "Ideal Cut." The Ideal Cut is a very specific cutting proportion but, in fact, it is only one of the 126 so called "perfect cuts" shown on the GIA Proportion Chart, and it gets no higher rating from GIA than the other 125. The title "Ideal Cut" should be considered by the consumer to be more of a trade name than a descriptive term. The title itself is misleading because it can create an inaccurate impression in the mind of the consumer. The controversy present in the diamond industry regarding the subject of cut can well be illustrated by a discussion of the advantages, disadvantages and misunderstandings related to the Ideal Cut.

The theory of the Ideal Cut is to cut a diamond to its maximum brilliance. The key word in the preceding sentence is the word "its." Brilliance is a measure of efficiency. If 100% of the colorless light going into a diamond is reflected back to the viewer, then that diamond can be said to be totally efficient. While cutting parameters can affect this measure of efficiency,



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Shapes	GIA Color	GIA Clarity	Carat Weight
<b>Brilliant</b>  <b>Oval</b>  <b>Pear</b> 	COLORLESS NEAR COLORLESS FAINT YELLOW VERY LIGHT YELLOW LIGHT YELLOW FANCY YELLOW	FLAWLESS VERY VERY SLIGHT IMPERFECTION VERY SLIGHT IMPERFECTION SLIGHT IMPERFECTION IMPERFECT	1 ct. = 90 to 110 pts. 7/8 ct. = 80 to 89 pts. 3/4 ct. = 70 to 79 pts. 5/8 ct. = 56 to 69 pts. 1/2 ct. = 45 to 55 pts. 7/16 ct. = 40 to 44 pts. 3/8 ct. = 36 to 39 pts. 1/3 ct. = 29 to 35 pts. 1/4 ct. = 23 to 28 pts. 1/5 ct. = 18 to 22 pts. 1/6 ct. = 15 to 17 pts. 1/8 ct. = 12 to 14 pts. 1/10 ct. = 9 to 11 pts. 1 Exact Carat = 100 Points
<b>Heart Shape</b>  <b>Emerald Cut</b>  <b>Marquise</b> 	D E F G H I J K L M N O P Q R S T U V W X Y Z	F VVS-1 VVS-2 VS-1 VS-2 SI-1 SI-2 I-1 I-2 I-3	

**THE GIA GRADING SYSTEM**

other factors can affect it even more. For example, the lower the color of the diamond the more light loss occurs due to the filtration of the light through the yellow body color of the diamond (more light will pass through a colorless window than a yellow one). Additionally, the lower the clarity of the diamond the more substantial the imperfections which are present to block the return of the light. An Ideal Cut diamond of inferior color and clarity may be cut to "its" maximum brilliance, but it will not be as brilliant as a diamond of superior color and clarity cut to any of the other 125 proportions.

Consumers are rarely told all of the facts concerning the Ideal Cut. The sole advantage of the Ideal Cut diamond is that it is cut to its maximum brilliance. The disadvantages are many and should also be disclosed to and considered by the consumer:

1. While an Ideal Cut diamond may be cut to "its" maximum brilliance, the difference in brilliance between an Ideal Cut diamond of a particular color and clarity and a diamond of the same color and clarity cut to one of the other 126 proportions may be so slight that it is measurable only with sensitive laboratory instruments and is impossible to see with the naked eye.
2. An Ideal Cut diamond sacrifices dispersion (fire) and scintillation (sparkle) and will be inferior to diamonds cut to many other proportions in one or both of these respects. Brilliance involves colorless light. Fire and sparkle do not. Therefore, a loss of dispersion and scintillation tends to be more easily observed by the naked eye than an imperceptible increase in technical brilliance, and may result in a visibly less beautiful diamond. Many people feel that the Ideal Cut appears "dead" when it is removed from the special jewelry store lighting used to enhance its appearance and is viewed instead under the more usual natural and normal lighting conditions.
3. An Ideal Cut, when compared side by side with a diamond of equal carat weight cut to many other proportions, will appear noticeably smaller.
4. The Ideal Cut generally carries a premium price tag which can amount to 15% or more over other cuts which are recognized under the GIA Proportion Chart as being of equal value in every respect. The reason for the price difference, in fact, has nothing to do with value, but results instead from the inefficiency inherent in producing the Ideal Cut. Producing the Ideal Cut will result in a diamond which weighs less than the diamond which would have resulted if the rough diamond crystal had been cut to one of many other proportions. In other words, there is more dust on the cutting room floor when an Ideal Cut is produced as compared to many other proportions. The consumer pays for that dust.
5. The premium price tag of the Ideal Cut does not tend to carry over into the secondary market. Few diamond dealers will pay a premium for the Ideal Cut. Many will actually offer and pay less, or will refuse to buy it at all

because of its deficiencies. The Ideal Cut has had a very poor track record of public acceptance. Of the hundreds of diamond cutters worldwide, only a handful regularly produce the Ideal Cut. It is outsold worldwide by other proportions by an astronomical margin.

6. The consumer who desires an increase in brilliance can often purchase it in greater quantities and more economically by investing in higher color, and an investment in higher color always translates to higher value in the secondary market.

The controversy surrounding cut is best resolved by explaining the facts to the consumer, by presenting the options, and by making every effort to assist the consumer in making an informed and educated decision. A decision is not informed or educated if it omits consideration of any pertinent fact. At Nebraska Diamond our customers are assured of getting all of the facts and every alternate viewpoint presented without bias and in an organized manner.

## The Consumer's Right To Know

The ultimate purpose for the consumer to acquire product knowledge is to enable him or her to separate "fact" from "sales pitch." Your right as a consumer to know the facts is unequivocal, and should include nothing less than the following:

1. You have the right to demand that the jeweler accurately grade your diamond in conformity with the GIA diamond grading system, that he fully disclose that grade to you, and that he provide you with a written warranty guaranteeing the authenticity of that grade. Never purchase a diamond without such a disclosure and warranty.
2. You have the right to examine your diamond loose before making your purchase. You cannot fully observe the color and clarity of a diamond which is set into a ring. Never purchase a diamond that you have not examined loose.
3. You have the right to examine your diamond under basic fluorescent lights and under natural sunlight before making your purchase.

Basic fluorescent lights will generally allow you the best opportunity to accurately observe the color of your diamond. Natural sunlight can provide the fairest environment for observation of the clarity of your diamond. Generally, the lighting conditions found in jewelry stores are designed to make diamonds look artificially brilliant and tend to artificially enhance both dispersion and scintillation. The consumer has virtually no chance whatsoever to accurately observe the color and clarity of a diamond under such lights. Never purchase a diamond that you have not examined under basic fluorescent lights and under natural sunlight.

4. You have the right to examine the color of your diamond in a white color grading trough and to examine the clarity of your diamond under a loupe or microscope before making your purchase. Never purchase a diamond that you have not examined in this manner.
5. You have the right to ask any question pertinent to your purchase and you have a right to expect a courteous, informed, accurate and complete answer. When a jeweler refuses to disclose the GIA grade of a diamond, or when he refuses to give you the make, style number or karat gold content of any ring you are considering, or when he otherwise fails in performing his obligation to give you information which you reasonably request, he is impairing your ability to compare shop, an impairment which costs consumers money. When any jeweler shows disrespect for your right as a consumer to know, reward him by taking your business elsewhere.

## A Final Word

At Nebraska Diamond we believe that earning your trust is the most important thing we do and that trust is earned with quality, value and service. Our flawless reputation is our most valuable asset and our uncompromising commitment to our customers has made us the dominant force in Lincoln's fine jewelry market. We look forward to serving you.



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