

PAID ADVERTISEMENT

HOW TO BUY DIAMONDS WITH CONFIDENCE AND KNOWLEDGE

By John Tavlin

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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.

A Uniform System of Diamond Grading

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. The accompanying chart shows a total of 240 separate and distinct combinations of GIA grades and there is a separate and distinct price list for each grade within each size category. 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. The two principal reasons why customers 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 comparison shop. The GIA system is a uniform system of diamond grading and gives the consumer a standard of comparison.
2. Jewelers who do not 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. In our opinion, fraudulent misrepresentation of diamond grades by jewelers is the most serious and widespread problem present in the jewelry industry today. Your only real protection as a consumer is to educate yourself about the product and demand a written guarantee. At Nebraska Diamond we will show you how to identify the various GIA 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. In "The Complete Guide to Buying Gems" (Copyright 1984, Crown Publishers, Inc., New York), diamond authorities Antoinette Leonard Matlins and Antonio C. Bonanno, F.G.A., P.G. state, "If we were to identify the factors that determine the value of a diamond in order of their importance, we would list them as follows:

1. Body Color (color grade)
 2. Degree of flawlessness (clarity grade)
 3. Cut and proportion"
- 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 a 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. At Nebraska Diamond you may view your diamond under both a jeweler's loupe and under a microscope designed for professional diamond examination. 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. The GIA has subdivided proportion analysis into four Classes based on table diameter, crown angle, pavilion depth, girdle thickness, finish and symmetry. Each Class contains wide parameters for proper proportioning and, therefore, provides for an infinite variety of differing cutting proportions, all of which are considered equally appropriate, within each Class. The GIA proportion evaluation format, thus, illustrates what every diamond expert in this business knows: that there are literally hundreds of different diamond proportions available which create beautiful and highly desirable gems.

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 even give their cut a title, such as "A" cut and represent that other cuts are "B" cuts or "C" cuts or even lower. Other jewelers refer to the diamonds they sell as "precision cut" or "cut to maximum beauty." Such titles have no uniform definition and, as such, are absolutely meaningless. 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 light between and as reflected off the diamond facets.

"Brilliance" refers to the ability of the diamond to return colorless light to the viewer.


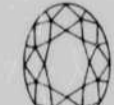


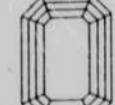

There is no such thing as a diamond cut to maximum dispersion and maximum scintillation and maximum brilliance all at the same time. By cutting to maximize one of these factors, the other two are compromised, and since all three are of equal importance, it is impossible to authoritatively classify one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

In buying a diamond it has been our experience that the consumer desires the most beautiful gem his or her budget can afford. Precisely how dispersion, scintillation and brilliance translate to beauty, however, is a matter of personal opinion. In their chapter on "The Importance of Cut and Proportion" the authors of "The Complete Guide to Buying Gems" state, with reference to the percentage measurements of various diamond cutting proportions, "No one has come to an agreement, however, on what the percentages should be, since some people prefer fire to brilliance, and vice versa. This is why there are several accepted types of proportioning found in diamond cut, and "best" is a matter of personal preference." In actuality, the difference in dispersion, scintillation and brilliance between some differing diamond proportions is so slight that it is measurable only with sensitive laboratory instruments and is impossible to see with the naked eye.

While it is impossible to identify the "best" cut, it is not possible to identify the "most desirable" cut. The laws of economics, and particularly the law of supply and demand, apply to the jewelry business just as they apply to all industries. What is desired is demanded and what is demanded is produced and



NEBRASKA DIAMOND

Shapes	GIA Color	GIA Clarity	Carat Weight
Brilliant  Oval  Pear 	Heart Shape  Emerald Cut  Marquise 	FLAWLESS F VERY VERY SLIGHT IMPERFECTION VVS1-1 VERY SLIGHT IMPERFECTION VVS1-2 VERY LIGHT YELLOW VSI-1 SLIGHT IMPERFECTION VSI-2 LIGHT YELLOW SI-1 FANCY YELLOW SI-2 IMPERFECT I-1 I-2 I-3	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

GIA DIAMOND COLOR AND CLARITY TERMINOLOGY

supplied. In the diamond business jewelers and consumers desire beauty and value. The cut which best provides that beauty and value will be the cut most often produced, supplied and purchased. Thus, it is jeweler and consumer acceptance and the actual track record of a particular cut that determines its true value and desirability in the marketplace.

The Truth About The "Ideal Cut"

One cutting proportion that has had a poor record of jeweler and consumer acceptance is called the Ideal Cut. The Ideal Cut is a very specific cutting proportion. In spite of its poor track record, the Ideal Cut is often pushed hard by some jewelers, and no wonder, the Ideal Cut carries a premium price tag which makes it potentially, size for size, the most profitable diamond a jeweler can carry.

There are many misunderstandings surrounding the Ideal Cut and it has many shortcomings and disadvantages of which consumers are rarely told:

1. The title "Ideal Cut" is not a descriptive term. It should be considered by the consumer to be more like a type of trade name. The title is misleading and can create an inaccurate impression in the mind of the consumer.
2. The Ideal Cut is often improperly represented to consumers as being the "most dispersive" or "most scintillative" or "most brilliant." Such representations are false because it is none of these. The Ideal Cut is a compromise cut. There are other proportions which create greater dispersion or greater scintillation or greater brilliance or some combination of these.
3. The Ideal Cut, when compared side by side with a diamond of equal carat weight cut to many other proportions, will appear noticeably smaller.
4. Many people feel that the Ideal Cut has an unattractive "lumpy" appearance and that it appears "dead" or two-dimensional when it is removed from the special jewelry store lighting used to enhance its appearance.
5. The premium price tag of the Ideal Cut can amount to 20% or more over other cuts within the same GIA proportion analysis Class. The reason for the price difference has nothing to do with value or beauty, 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. This means that the consumer has wasted his money because for the same price he or she could have purchased a much larger diamond of the same color and clarity cut to a more desirable proportion than the Ideal Cut.
6. 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 many deficiencies. The Ideal Cut has had a very poor track record of jeweler and public acceptance. This poor track record indicates that jewelers and consumers consider it to be a relatively poor value and relatively undesirable in the marketplace. Of the hundreds of diamond cutters worldwide, only a handful claim to

produce the Ideal Cut. The Ideal Cut is outsold worldwide by other proportions by an astronomical margin.

The manner in which the Ideal Cut is marketed is often deceptive:

1. The Ideal Cut is often displayed by jewelers next to a diamond which is so misproportioned that anything would look good by comparison. In our experience, when the Ideal Cut is displayed next to a properly cut diamond of a different proportion, consumer rejection of the Ideal Cut is virtually unanimous.
 2. Jewelers who claim to sell the Ideal Cut often fail to actually deliver that proportion to the consumer. The Ideal Cut is a very specific proportion. Among the diamond cutters who attempt to manufacture the Ideal Cut, a great deal of deviation often exists between the true specific Ideal Cut proportion and the stone which is actually produced. We have appraised many diamonds purported by jewelers to be the Ideal Cut and not once have the proportions proven to be in exact conformity with the precise Ideal Cut proportion requirement.
- 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 to describe cut, or who engages in the practice of "pushing" a particular cut without fully explaining your options to be serving his own interests at the expense of yours. 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 a critical 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 questions pertinent to your purchase and you have the 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 fails otherwise in performing his obligation to give you information which you reasonably request, he is impairing your ability to comparison 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, service and honesty. In a January, 1986, consumer survey, Nebraska Diamond was voted as having the lowest prices, best selection, best service and best guarantee. Our 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.

BE SURE TO READ OUR ARTICLE APPEARING IN NEXT MONDAY'S DAILY NEBRASKAN ENTITLED "HOW TO SPOT DECEPTIVE TRADE PRACTICES WHEN SHOPPING FOR FINE JEWELRY"

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