

HOW TO BUY DIAMONDS WITH CONFIDENCE AND KNOWLEDGE

PAID ADVERTISEMENT

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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 diamond grading system is, by far, the dominant grading system used by diamond cutting firms and jewelry manufacturers in this country today.

Knowledge of the GIA diamond 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 under laboratory conditions using actual examples, so that the customer can see with his or her own eyes the characteristics and appearance of the various grades. As a result, Nebraska Diamond customers can identify the various GIA grades by themselves and do not need to helplessly rely on the jeweler's representations. 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 represent diamonds to customers in GIA terms often take liberties with the GIA system and just "puff" the grade up to whatever level is necessary to make the sale, believing that the customer will not be able to identify the deception. A diamond which is assigned a GIA grade by one of these jewelers may actually be significantly 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. Unless the consumer has adequate product knowledge, he risks being duped into purchasing a low quality diamond. In our opinion, fraudulent misrepresentation of diamond grades is one of the most serious and widespread problems in the jewelry industry today. Your only real protection as a consumer is to educate yourself about the product. At Nebraska Diamond we provide our customers with an education that makes them the best informed diamond buyers in the market. You do not get the Nebraska Diamond consumer education program at any other jewelry store.

THE RELATIONSHIP OF COLOR, CLARITY, CUT AND CARAT WEIGHT

Color, clarity, cut and carat weight 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., F.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 (often referred to as the make)
4. Carat weight"

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, cut and carat weight, 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 as 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 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, cut and carat weight, 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, except for the proportion called the "heavy make" discussed below, cut is a less observable characteristic than color or clarity from a quantitative standpoint and, hence, cut generally carries less value.

Carat weight refers to the weight of the diamond and not to its size. This is an important distinction because two diamonds which weigh the same can appear drastically different in size and this may result in drastically different values even if color and clarity are the same in both gems. Sometimes customers forget that size is a dimensional linear measurement expressed in millimeters. The term "Carat" is only a weight measurement. One carat is equal to 1/5 gram. If a diamond is cut with its weight concentrated in its depth, a proportion called the "heavy make", it will appear much smaller than a diamond of the exact same carat weight cut with its weight concentrated in its width. The difference in value between these two diamonds can be substantial, often exceeding 40%. At Nebraska Diamond we avoid the "heavy make", but we have observed that the "heavy make" is very prevalent in today's diamond market. Therefore, it is extremely important that the consumer know how to recognize the "heavy make". As discussed below, however, consumers who do not have the consumer education we provide at Nebraska Diamond are at a tremendous disadvantage when it comes to recognizing the "heavy make" and they risk buying it unknowingly.

CUT: THE MISUNDERSTOOD "C"

Among the 4 "C's" (Color, Clarity, Cut and Carat Weight) 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 an infinite variety of differing cutting proportions all of which are considered equally appropriate within each Class. The GIA proportion analysis 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.

Because there are so many accepted types of proportioning in diamond cut, 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.

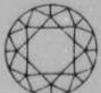
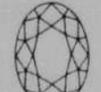
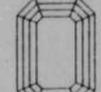
There is no such thing as a diamond cut to maximum dispersion and maximum scintillation and maximum brilliance all at the same time. By cutting to maximize one of these factors the other two are compromised, and since all three are of equal importance it is impossible to authoritatively classify one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

As discussed above, one area in which cut makes a big difference in the value of a



NEBRASKA DIAMOND

Shapes	GIA Color	GIA Clarity	Carat Weight
Brilliant 	Heart Shape 	Colorless D E F G H I J K L M N O P R S T U V W X Y Z	Flawless F 1 ct. = 90 to 110 pts. 7/8 ct. = 80 to 89 pts.
Oval 	Emerald Cut 	Near Colorless VVS-1 Very Slight Imperfection VVS-2	3/4 ct. = 70 to 79 pts. 5/8 ct. = 56 to 69 pts.
Pear 	Marquise 	Faint Yellow VS-1 Very Slight Imperfection VS-2	1/2 ct. = 45 to 55 pts. 7/16 ct. = 40 to 44 pts.
		Light Yellow SI-1 Slight Imperfection SI-2	3/8 ct. = 36 to 39 pts. 1/3 ct. = 29 to 35 pts.
		Fancy Yellow I-1 Imperfect I-2 I-3	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

diamond concerns the "heavy make". The term "heavy make" refers to a diamond that has a disproportionate share of its total carat weight concentrated in the depth of the stone. Visually, this means that a "heavy make" diamond actually weighing 1 carat may only face up with the appearance and diameter of a 3/4 carat diamond cut to proper proportions. Because they face up so much smaller than they should, "heavy makes" are worth substantially less than properly proportioned diamonds. Because the "heavy make" is worth less, it costs the jeweler less, so he can sell it for less. When the jeweler fails to tell his customer that he is showing a "heavy make" and fails to explain that the "heavy make" is priced lower because it is worth less, the effect is to trick the consumer into thinking that he has purchased a full size diamond at a bargain price. This illusion is further enhanced when the jeweler shows only "heavy make" diamonds and does not show the consumer a full size diamond to enable the consumer to compare. In fact, the problem of the "heavy make" is virtually never explained to the consumer, so the consumer simply assumes that any diamond shown of a certain carat weight faces up the size that it should, and he purchases the "heavy make" unknowingly. We feel that this failure to inform the consumer is grossly unfair and that it constitutes deception by omission.

Seldom is the subject of cut properly and fairly explained to the consumer. At Nebraska Diamond our customers receive all of the facts and an explanation of every option.

HOW TO SPOT DECEPTIVE TRADE PRACTICES

Consumers should be aware of various trade practices which are common in the jewelry industry but which we feel are deceptive, unfair and, in many cases, illegal. Deceptive trade practices cost consumers incalculable sums of money annually. Awareness of these trade practices will assist the consumer in spotting them and avoiding them when shopping for fine jewelry.

Deceptive trade practices in the jewelry industry tend to fall generally into two broad categories:

1. Practices which lead the consumer to believe that he is receiving a bargain purchase when, in fact, he is not (fake "sales"), and
2. Practices which lead the consumer to believe the quality, quantity or description of the article being purchased is more or better than that which is actually delivered (active or constructive misrepresentation of the product either by act or omission).

The concept of the fake "sale" is an old one. Basically, it plays on the desire of the consumer to obtain a bargain purchase. Fake "sales" can be advertised or unadvertised. Here's how the scheme works: In the advertised fake "sale" scheme the jeweler places an exorbitant and purely fictitious "regular price" or "appraised value" or "reference price" on an article of jewelry. He then advertises "special sale prices" or "drastic reductions" or "storewide 50% off clearance sale" or "certified savings" or something similar to drum up excitement, and then he offers the article to the consumer for less than the fictitious "marked" price. The consumer buys the article believing he has received a bargain. In fact, though, under the scheme, the jeweler has sold the article for the price he always intended to sell it for. There is no bargain because the article really wasn't marked down at all, so the consumer actually paid full price. The fake "sale" scheme is also employed in unadvertised "sales". In the unadvertised fake "sale" the consumer walks into the store and observes a fictitious "marked" price on the article and the salesperson simply tells the consumer that the article is on "sale" even though the "sale" is not being publicly advertised, and then offers the article to the consumer for a "reduced" price. Both advertised and unadvertised fake "sales" are high pressure sales techniques used to influence the customer to buy now before the "sale" ends. In fact,

under either scheme, there is no "sale" and the customer is deceived. The fake "sale" scheme has reached epidemic proportions. In our opinion, the fake "sale" is the predominant tool used in advertised and unadvertised "price reduction" promotions in the jewelry industry today. Jewelers who conduct fake "sales" are simply betting that their customers are too stupid to figure out what is going on. We think that is a poor bet. Our experience with consumers convinces us that they are intelligent people who are entitled to be treated with honesty and respect. Anytime you encounter a jewelry "sale" employing any of the above characteristics, we suggest that you exercise extreme caution. Bring a copy of the "sale" advertisement or the unadvertised "sale" information to Nebraska Diamond. Compare their so called "sale" prices to our regular everyday prices and see for yourself why Nebraska Diamond totally dominates Lincoln's engagement ring and fine jewelry market.

The jewelry industry customarily employs several subtle techniques in an attempt to convince the consumer that the quality, quantity or description of the article being purchased is more or better than that which is actually delivered. We think that these techniques are deceptive and improper and that consumers should be warned about them. First and foremost among these techniques is the implementation of specialized lighting conditions designed to enhance the true appearance of any gem stone or article of jewelry. This usually takes the form of chandeliers, spot lights, flood lamps, and reflector lamps, both incandescent and fluorescent, plus tubular incandescent display case bulbs and other similar type light sources. These light sources are instantly recognizable by their "hot", "bright" or "intense" appearance. Such lights artificially enhance the appearance, dispersion, scintillation and brilliance in diamonds and, further, they make it impossible to accurately determine the GIA color and clarity grade. In other words, these lights make the diamond appear better than it is. While others may argue that the use of specialized lighting is merely a merchandising and display technique, we prefer to think that consumers are entitled to see exactly what they are getting. As a practical matter, the only jewelry store lighting condition which is non-deceptive, that is, which presents the true appearance of gem stones and articles of jewelry, is color corrected tubular fluorescent lighting. Even this light, in order to be non-deceptive, must be presented at a low height in a closed and carefully controlled environment, undiluted and uncontaminated by other light sources. These are the lighting conditions which are used for laboratory grading of diamonds, and these are the lighting conditions you will find at Nebraska Diamond. At Nebraska Diamond we sell quality jewelry, and we adhere to the philosophy that when you sell quality jewelry you don't need deceptive lighting conditions.

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 show you how the grade was determined. Never purchase a diamond without such a disclosure.
2. You have the right to examine your diamond loose before making your purchase. You cannot accurately observe the color or clarity of a diamond or authenticate its carat weight or determine that it is not chipped if it is already set into a ring. Never purchase a diamond that you have not examined loose.
3. You have the right to examine your diamond under the lighting conditions used for laboratory grading of diamonds, that is, under color corrected tubular fluorescent lighting, presented at a low height in a closed

and carefully controlled environment undiluted and uncontaminated by other light sources. Never purchase a diamond that you have not examined under such lighting conditions.

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, and you have the right to expect the jeweler to point out exactly what you should see. Never purchase a diamond that you have not examined in this manner.

5. You have the right to have your diamond weighed in your presence on an electronic diamond scale to verify its claimed carat weight. Never buy a diamond that you have not observed in this manner.

6. 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. Never purchase anything from a jeweler who shows disrespect for your right as a consumer to know.

A FINAL WORD

At Nebraska Diamond we've built our reputation on superb quality, unsurpassed personal service, tremendous selection and unbeatable prices. That's why Nebraska Diamond totally dominates Lincoln's engagement ring and fine jewelry market. With each engagement ring or wedding band we also include our free Wedding Savings Package™ which entitles Nebraska Diamond customers to huge discounts at 22 other area merchants on everything needed for a perfect wedding. 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. Our track record speaks for itself: Our unmatched reputation is our most valuable asset and our uncompromising commitment to our customers has made us THE PLACE for engagement rings and fine jewelry. We look forward to serving you.

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