

THE PROFESSOR PROPOSES

Michael Leff wrote this case under the supervision of Greg Zaric solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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The professor's girlfriend had hinted about marriage three times now, and he decided the time was finally right. The professor had never shopped for diamonds before, but he assumed it to be a simple task. He would go to the store, find a nice diamond that suited his wife-to-be's taste, part with Cdn\$2,000 to Cdn\$4,000, and be on his way. This illusion was swiftly shattered upon his first visit to the mall. He was confronted with a dizzying array of diamond characteristics, configurations and pricing. Diamond shopping was a much more involved process than the professor had initially thought.

CHARACTERISTICS OF DIAMONDS

There are several characteristics that determine the value of a diamond. The most noteworthy of these are known as the four C's: color, cut, carat and clarity. Other factors are polish, symmetry and certification. All are detailed further in Exhibit 1.

Color

Diamonds naturally occur in many different colors. The rating scale applied to diamonds ranges from colorless to yellow, as any other color is extremely rare. Many feel that this color range is in place to suit personal preferences, rather than to serve as a price determinant.

Cut

Cut refers to both the shape and the proportions of the diamond. A diamond with a superior cut has the correct proportions in its facets as well as in its depth and width. The cut of the diamond is the main determinant of its reflective properties. A diamond with an ideal cut reflects light, and therefore appears more brilliant than a diamond with a poor cut. Poor cuts are often the result of the diamond being cut too shallow or too deep.

Carat Weight

A carat is a unit of measurement for diamonds where one carat is equal to 0.2 grams. This is not to be confused with karats, which is a measurement for the purity of gold. Larger diamonds are much rarer than small ones, and so they are generally more expensive per carat. For example, all other factors being equal, two one carat diamonds would be less expensive than a single two-carat diamond. However, this effect is most noticeable in the higher carat ranges, and is not as apparent at less than 1.5 carats.

Clarity

The clarity of a diamond refers to the inclusions (flaws) detectable within it, described in Exhibit 1.

Polish and Symmetry

Symmetry measures how well the facets of the crown (the very top portion of the diamond) and the pavilion (the very bottom portion of the diamond) match up. Poor facet alignment allows light to leak out before reflecting. This results in the diamond being less brilliant. In some cases, poor symmetry causes one side to be broader than the other, resulting in an unbalanced appearance. A diamond's polish refers to how perfect and reflective the diamond's surface is. Polish and symmetry are both measured on a scale ranging as follows: poor, fair, good, very good, excellent and ideal.

Certification

There are many labs that evaluate diamonds based on the characteristics listed above. There are only a small number of well known sources for diamond certification. Two of the most respected labs are Gemological Institute of America (GIA) and American Gemological Society (AGS). Other labs include European Gemological Laboratories (EGL) and International Gemological Institute (IGI), as well as many other small labs run by individual stores.

THE DECISION

The professor returned from his shopping expedition with all of the above information, as well as a quote on a particular diamond ring that caught his eye, shown in Exhibit 2.

Now armed with this information, he wanted to know if this was a fair price for the diamond in question. The professor decided the best way to determine this would be to download information from three diamond wholesalers he found on the Internet (see Exhibit 3). Now he needed only some way of compiling the data he obtained in a meaningful fashion, and to use it to value the diamond he had found.

Exhibit 1

THE FOUR C'S

Characteristic	Scale	Comments
Carat		1 carat = 0.2 grams
Color	D-F	Colorless
	G-I	Near colorless
	J-K	Faint yellow
	L-N	Very light yellow
	O-S	Light yellow
	T-Z	Yellow
Cut	Poor	
	Fair	
	Good	
	Very good	
	Excellent	
	Ideal	
Clarity	FL	Flawless: No flaws
	IF	Internally Flawless: No internal flaws
	VVS1	Very, Very Slightly Included: very, very few inclusions at 30×
	VVS2	Very, Very Slightly Included: very few inclusions at 30×
	VS1	Very Slightly Included: few inclusions at 30×
	VS2	Very, Very Slightly Included: several inclusions at 30×
	SI1	Slightly Included: very, very few inclusions at 10×
	SI2	Slightly Included: very few inclusions at 10×
	SI3	Slightly Included: several inclusions at 10×
	I1	Included: very few inclusions, but visible to the naked eye
	I2	Included: few inclusions visible to the naked eye
	I3	Included: several inclusions visible to the naked eye

Exhibit 2

THE PROFESSOR'S DIAMOND ENGAGEMENT RING

Price	\$3,100
Carat Weight	0.9
Cut	Very Good
Color	J
Clarity	SI2
Polish	Good
Symmetry	Very Good
Certification	GIA

Exhibit 3

THE PROFESSOR'S DATA

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
0.92	I	SI2	G	AGS	V	V	\$3,000	1
0.92	I	SI2	V	AGS	G	G	\$3,000	1
0.82	F	SI2	I	GIA	X	X	\$3,004	1
0.81	G	SI1	I	GIA	X	V	\$3,004	1
0.90	J	VS2	V	GIA	V	V	\$3,006	1
0.87	F	SI2	I	AGS	G	V	\$3,007	1
0.80	D	SI2	I	GIA	V	V	\$3,008	1
0.84	F	SI1	G	GIA	V	V	\$3,010	1
0.80	D	SI2	V	GIA	V	V	\$3,012	1
0.80	D	SI2	V	GIA	V	X	\$3,012	1
0.85	G	SI2	I	GIA	V	V	\$3,014	1
0.83	G	SI2	I	GIA	X	X	\$3,014	1
0.82	H	VS1	G	AGS	G	V	\$3,015	1
0.82	G	SI1	I	GIA	X	X	\$3,015	1
0.80	F	SI1	V	GIA	V	V	\$3,022	1
0.91	J	SI1	V	GIA	V	V	\$3,023	1
0.81	F	SI1	V	AGS	V	V	\$3,027	1
0.90	I	SI1	V	GIA	X	V	\$3,028	1
0.81	E	SI2	I	GIA	V	X	\$3,029	1
0.81	E	SI2	I	GIA	X	X	\$3,029	1
0.81	E	SI2	I	GIA	G	G	\$3,031	1
0.80	I	VS1	I	AGS	I	I	\$3,031	1
0.80	I	VS1	I	AGS	I	I	\$3,031	1
0.80	G	SI1	I	GIA	X	V	\$3,035	1
0.81	H	SI1	V	GIA	G	V	\$3,036	1
0.91	H	SI2	G	GIA	V	G	\$3,038	1
0.83	D	SI2	G	GIA	G	G	\$3,041	1
0.83	I	VS2	V	GIA	G	G	\$3,041	1
0.88	I	SI1	I	AGS	I	I	\$3,042	1
0.90	G	SI2	F	GIA	V	V	\$3,043	1
0.90	H	SI2	V	GIA	V	G	\$3,043	1
0.90	G	SI2	F	GIA	G	V	\$3,043	1
0.91	I	SI2	I	GIA	V	V	\$3,044	1
0.81	D	SI2	V	GIA	G	G	\$3,044	1
0.81	F	SI1	V	GIA	X	X	\$3,049	1
0.85	E	SI2	I	GIA	V	X	\$3,051	1
0.85	F	SI2	V	AGS	G	G	\$3,051	1
0.81	E	SI2	V	GIA	V	G	\$3,051	1
0.81	I	VS1	I	AGS	I	I	\$3,053	1
0.80	F	SI1	V	GIA	G	G	\$3,053	1
0.90	H	SI2	F	GIA	V	G	\$3,056	1

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
0.81	I	VS1	G	GIA	G	G	\$3,057	1
0.80	H	VS1	V	GIA	V	V	\$3,059	1
0.80	E	SI2	V	GIA	V	V	\$3,062	1
0.90	J	VS2	G	AGS	X	X	\$3,064	1
0.80	E	SI2	V	GIA	V	G	\$3,064	1
0.80	I	VS1	I	GIA	X	V	\$3,067	1
0.90	I	SI2	G	GIA	V	V	\$3,069	1
0.90	I	SI2	V	GIA	V	V	\$3,069	1
0.80	E	SI2	V	GIA	X	V	\$3,071	1
0.82	H	SI1	V	GIA	G	G	\$3,072	1
0.81	G	SI2	I	GIA	V	V	\$3,079	1
0.81	E	SI1	V	GIA	X	X	\$3,079	1
0.80	H	VS2	I	AGS	I	I	\$3,080	1
0.90	F	SI2	F	GIA	V	G	\$3,081	1
0.90	I	SI1	G	GIA	V	G	\$3,081	1
0.82	I	VS2	I	GIA	X	X	\$3,085	1
0.80	H	SI1	V	GIA	V	V	\$3,086	1
0.91	H	SI2	F	GIA	V	V	\$3,089	1
0.92	J	SI1	V	GIA	V	V	\$3,091	1
1.00	L	SI3	F	EGL	F	F	\$1,856	2
1.06	L	SI3	F	EGL	G	G	\$1,892	2
1.00	K	I2	F	GIA	V	V	\$1,918	2
1.01	G	I2	F	GIA	G	V	\$1,929	2
1.04	J	I1	G	EGL	G	G	\$1,966	2
1.05	J	I1	G	EGL	V	G	\$1,985	2
1.23	I	I2	G	GIA	G	F	\$1,988	2
1.18	H	I2	F	DOW	G	F	\$2,031	2
1.02	I	I2	X	GIA	G	G	\$2,035	2
1.00	I	I2	F	GIA	G	V	\$2,045	2
1.00	L	I1	X	GIA	X	G	\$2,049	2
1.05	H	I2	X	GIA	V	V	\$2,065	2
1.00	G	I1	F	EGL	G	F	\$2,070	2
1.02	J	I1	F	EGL	G	G	\$2,100	2
1.00	H	SI3	F	EGL	F	F	\$2,101	2
1.00	F	I1	I	EGL	G	G	\$2,128	2
1.01	F	I1	X	EGL	G	G	\$2,149	2
1.01	L	SI3	I	EGL	G	G	\$2,156	2
1.04	F	I2	X	GIA	G	G	\$2,162	2
1.00	H	I1	F	EGL	G	F	\$2,168	2
1.00	I	I1	F	EGL	G	G	\$2,170	2
1.01	I	I1	F	EGL	G	G	\$2,192	2
1.01	I	I1	F	EGL	G	F	\$2,192	2
1.10	I	I2	I	GIA	V	F	\$2,195	2
1.02	I	I1	F	EGL	G	F	\$2,213	2
1.00	K	I1	X	GIA	V	G	\$2,226	2

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
1.00	J	I1	F	EGL	G	G	\$2,228	2
1.00	E	I1	G	EGL	G	G	\$2,243	2
1.01	E	I2	G	EGL	V	G	\$2,252	2
1.21	L	I2	X	GIA	G	G	\$2,263	2
1.00	K	SI3	X	EGL	G	V	\$2,288	2
1.16	I	I1	F	EGL	G	G	\$2,292	2
1.17	H	I2	X	GIA	V	V	\$2,301	2
1.00	F	I1	F	EGL	V	G	\$2,306	2
1.04	K	I1	X	EGL	V	V	\$2,308	2
1.00	J	SI3	F	EGL	G	G	\$2,310	2
1.00	E	I2	X	GIA	G	G	\$2,316	2
1.01	H	I1	X	EGL	V	X	\$2,321	2
1.09	G	I2	X	GIA	G	G	\$2,330	2
1.02	K	SI3	V	EGL	G	G	\$2,333	2
1.05	F	I2	G	GIA	F	F	\$2,338	2
1.10	G	I2	X	GIA	V	V	\$2,351	2
1.00	F	I1	G	EGL	G	G	\$2,359	2
1.06	F	I2	G	GIA	G	V	\$2,360	2
1.01	G	I1	G	EGL	V	V	\$2,363	2
1.01	G	I1	I	EGL	V	V	\$2,363	2
1.00	I	I1	F	EGL	G	G	\$2,364	2
1.03	H	I1	I	EGL	V	V	\$2,367	2
1.15	J	I1	F	EGL	G	G	\$2,368	2
1.00	K	SI2	X	EGL	G	G	\$2,380	2
1.00	K	SI2	F	EGL	G	F	\$2,380	2
1.01	F	I1	X	EGL	G	V	\$2,382	2
1.07	L	SI3	X	EGL	G	G	\$2,386	2
1.04	H	I1	I	EGL	V	X	\$2,390	2
1.25	J	I2	F	GIA	G	G	\$2,397	2
1.05	I	I1	F	GIA	G	G	\$2,413	2
1.09	K	I1	X	GIA	G	G	\$2,427	2
1.14	L	I2	X	GIA	V	V	\$2,437	2
1.11	G	I2	X	GIA	G	G	\$2,438	2
1.21	K	SI3	F	EGL	G	G	\$2,446	2
1.00	E	SI3	F	EGL	G	G	\$3,080	2
1.03	G	I1	X	GIA	V	G	\$3,082	2
1.03	G	I1	F	GIA	G	V	\$3,082	2
1.21	J	I1	X	GIA	G	G	\$3,083	2
1.04	G	I1	I	GIA	V	G	\$3,084	2
1.19	H	I1	F	EGL	V	G	\$3,085	2
1.01	H	SI2	G	EGL	V	V	\$3,086	2
1.04	J	SI1	X	EGL	V	X	\$3,089	2
1.02	H	I1	X	GIA	G	F	\$3,089	2
1.20	I	I1	F	EGL	V	G	\$3,093	2
1.20	I	I1	F	EGL	G	G	\$3,093	2

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
1.02	K	VS2	I	EGL	X	X	\$3,093	2
1.04	F	SI3	I	EGL	V	X	\$3,093	2
1.01	E	I1	G	GIA	X	V	\$3,098	2
1.00	G	I1	X	GIA	X	V	\$3,101	2
1.01	I	SI2	G	EGL	V	G	\$3,102	2
1.00	E	SI3	X	EGL	G	G	\$3,105	2
1.01	D	I1	F	GIA	V	G	\$3,107	2
1.43	I	I2	X	GIA	G	G	\$3,108	2
1.00	J	SI2	X	EGL	G	G	\$3,108	2
1.00	J	SI2	I	EGL	V	X	\$3,108	2
1.00	J	SI2	X	EGL	V	G	\$3,108	2
1.11	K	SI2	X	GIA	V	V	\$3,108	2
1.01	G	I1	X	GIA	G	G	\$3,108	2
1.01	F	SI3	I	EGL	V	G	\$3,111	2
1.01	J	SI1	X	EGL	V	X	\$3,111	2
1.14	E	I1	G	EGL	G	G	\$3,112	2
1.12	G	I1	X	GIA	V	V	\$3,112	2
1.00	J	SI1	X	EGL	V	G	\$3,114	2
1.01	G	SI3	X	EGL	G	G	\$3,118	2
1.02	D	SI3	I	EGL	X	X	\$3,119	2
1.11	I	SI2	X	EGL	V	G	\$3,122	2
1.10	H	I1	X	GIA	V	V	\$3,124	2
1.13	K	VS1	X	EGL	G	V	\$3,124	2
1.00	J	SI2	F	GIA	G	F	\$3,125	2
1.26	K	I1	X	GIA	V	G	\$3,125	2
1.00	D	I1	G	EGL	G	G	\$3,126	2
1.00	D	I1	X	EGL	G	V	\$3,126	2
1.00	I	SI2	G	EGL	V	G	\$3,127	2
1.00	I	SI2	G	EGL	V	V	\$3,127	2
1.02	I	SI3	X	EGL	G	G	\$3,130	2
1.01	K	SI2	X	GIA	X	V	\$3,135	2
1.00	H	SI2	I	EGL	G	V	\$3,135	2
1.00	H	SI2	G	EGL	G	G	\$3,135	2
1.00	G	I1	I	GIA	G	G	\$3,136	2
1.02	D	I1	F	EGL	G	V	\$3,137	2
1.23	K	SI2	X	GIA	X	G	\$3,137	2
1.01	G	SI2	F	EGL	G	V	\$3,138	2
1.07	E	SI3	X	EGL	G	V	\$3,138	2
1.01	J	SI2	X	EGL	V	V	\$3,139	2
1.01	J	SI2	I	EGL	V	X	\$3,139	2
1.01	J	SI2	X	EGL	V	V	\$3,139	2
1.01	J	SI2	X	EGL	V	V	\$3,139	2
1.01	J	SI2	I	EGL	V	X	\$3,139	2
1.01	J	SI2	I	EGL	V	V	\$3,139	2
1.01	J	SI2	X	EGL	G	V	\$3,139	2

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
1.15	E	I1	X	EGL	V	V	\$3,140	2
1.03	G	I1	X	GIA	G	G	\$3,141	2
1.04	J	SI1	X	EGL	V	V	\$3,142	2
1.01	J	SI1	G	EGL	G	V	\$3,145	2
1.03	H	I1	X	EGL	G	G	\$2,451	2
1.00	J	SI2	G	EGL	G	V	\$2,452	2
1.15	J	SI3	G	EGL	G	G	\$2,467	2
1.01	J	SI2	I	EGL	V	X	\$2,476	2
1.00	E	I1	F	EGL	V	G	\$2,486	2
1.12	K	I1	F	GIA	G	F	\$2,493	2
1.01	E	I2	X	GIA	G	G	\$2,495	2
1.03	K	SI3	I	EGL	G	G	\$2,511	2
1.01	E	I1	X	EGL	G	V	\$2,511	2
1.01	E	I1	G	EGL	G	G	\$2,511	2
1.01	E	I1	X	EGL	G	G	\$2,511	2
1.22	K	I1	F	EGL	V	G	\$2,516	2
1.20	G	I2	X	GIA	G	G	\$2,565	2
1.10	G	I1	X	EGL	V	V	\$2,574	2
1.16	J	I1	V	EGL	G	G	\$2,584	2
1.02	E	I1	X	EGL	V	V	\$2,586	2
1.23	L	I1	X	GIA	G	G	\$2,586	2
1.00	J	SI2	F	EGL	V	G	\$2,591	2
1.01	F	SI3	X	EGL	V	V	\$2,600	2
1.19	H	I2	X	GIA	G	G	\$2,600	2
1.02	H	I1	F	EGL	G	F	\$2,601	2
1.33	L	SI3	X	EGL	G	V	\$2,607	2
1.10	F	I2	X	GIA	V	V	\$2,617	2
1.58	K	I2	F	GIA	F	F	\$2,620	2
1.04	K	I1	X	GIA	G	G	\$2,625	2
1.01	J	SI3	X	EGL	V	V	\$2,625	2
1.00	H	I1	G	GIA	G	G	\$2,625	2
1.02	G	I1	I	EGL	V	X	\$2,625	2
1.02	K	SI2	X	EGL	V	V	\$2,629	2
1.01	H	SI3	F	EGL	G	F	\$2,640	2
1.01	I	I1	X	GIA	V	G	\$2,651	2
1.01	J	SI3	F	EGL	G	G	\$2,654	2
1.00	L	VS2	F	GIA	G	G	\$2,655	2
1.00	I	SI3	F	EGL	G	G	\$2,660	2
1.01	K	SI1	F	EGL	V	G	\$2,668	2
1.00	G	SI3	F	EGL	F	F	\$2,678	2
1.00	K	SI2	I	GIA	V	V	\$2,682	2
1.14	F	I1	I	EGL	V	V	\$2,689	2
1.00	K	SI1	G	EGL	G	V	\$2,689	2
1.01	D	I1	X	EGL	V	X	\$2,692	2
1.03	D	I1	X	EGL	G	V	\$2,692	2

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
1.03	D	I1	F	EGL	G	G	\$2,692	2
1.05	J	I1	X	GIA	V	G	\$2,693	2
1.41	K	I2	X	GIA	G	G	\$2,704	2
1.16	D	I2	F	GIA	G	G	\$2,714	2
1.01	K	SI1	I	EGL	V	X	\$2,716	2
1.00	E	I1	G	EGL	G	G	\$2,730	2
1.00	K	SI2	X	GIA	V	V	\$2,745	2
1.00	J	SI2	F	EGL	G	F	\$2,745	2
1.06	F	I1	F	EGL	G	G	\$2,745	2
1.01	E	I1	X	EGL	G	V	\$2,757	2
1.12	L	SI2	G	EGL	G	G	\$2,765	2
1.07	L	SI2	X	GIA	V	V	\$2,770	2
1.04	D	I1	I	EGL	X	X	\$2,772	2
1.00	J	SI2	X	EGL	V	V	\$2,772	2
1.10	G	I1	X	EGL	G	V	\$2,772	2
1.16	F	I1	X	GIA	G	F	\$2,775	2
1.00	G	I1	X	GIA	V	V	\$2,779	2
1.00	J	SI1	F	EGL	V	G	\$2,780	2
1.00	J	SI1	F	EGL	G	F	\$2,780	2
0.09	D	SI1	X	IGI	G	G	\$190.00	3
0.09	E	SI1	I	IGI	G	G	\$160.00	3
0.09	F	SI1	I	IGI	V	G	\$160.00	3
0.09	E	SI1	I	IGI	G	G	\$180.00	3
0.09	E	VS1	I	IGI	V	G	\$190.00	3
0.10	E	VS2	V	IGI	V	G	\$330.00	3
0.10	F	VS1	V	IGI	G	G	\$180.00	3
0.10	E	VS2	X	IGI	G	G	\$180.00	3
0.10	F	VS2	X	IGI	V	G	\$180.00	3
0.10	F	SI1	X	IGI	G	G	\$190.00	3
0.10	F	SI1	X	IGI	G	G	\$160.00	3
0.10	E	SI1	V	IGI	G	G	\$160.00	3
0.10	E	SI2	G	IGI	V	G	\$190.00	3
0.10	E	VS1	V	IGI	G	G	\$180.00	3
0.10	E	VS1	X	IGI	G	G	\$180.00	3
0.10	F	SI1	V	IGI	G	G	\$180.00	3
0.10	F	VS1	X	IGI	G	G	\$180.00	3
0.10	E	VS2	V	IGI	G	G	\$180.00	3
0.11	F	SI1	G	IGI	G	G	\$160.00	3
0.11	F	VS2	G	IGI	G	G	\$190.00	3
0.11	E	SI1	X	IGI	G	G	\$160.00	3
0.11	F	VS2	V	IGI	V	V	\$180.00	3
0.11	F	SI1	I	IGI	V	G	\$180.00	3
0.20	F	SI1	X	IGI	G	G	\$320.00	3
0.21	G	SI1	V	IGI	G	G	\$330.00	3
0.21	F	SI1	I	IGI	G	G	\$330.00	3

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
0.21	E	VS2	V	IGI	V	G	\$340.00	3
0.21	E	VVS2	X	IGI	V	G	\$320.00	3
0.21	F	SI1	X	IGI	V	V	\$330.00	3
0.21	F	VS2	X	IGI	G	G	\$340.00	3
0.21	E	VS2	I	IGI	V	G	\$340.00	3
0.22	E	SI1	I	IGI	G	G	\$360.00	3
0.22	F	SI1	V	IGI	G	G	\$330.00	3
0.22	D	SI1	X	IGI	G	G	\$340.00	3
0.22	F	SI1	V	IGI	G	G	\$330.00	3
0.22	E	SI1	I	IGI	V	V	\$340.00	3
0.23	E	SI1	V	IGI	V	V	\$404.00	3
0.23	F	VVS2	X	GIA	V	V	\$665.00	3
0.23	F	SI1	X	IGI	G	G	\$360.00	3
0.23	E	SI1	I	IGI	G	G	\$360.00	3
0.23	F	VS2	X	IGI	V	G	\$360.00	3
0.23	F	SI1	V	IGI	G	G	\$340.00	3
0.23	F	SI1	X	IGI	G	G	\$360.00	3
0.27	E	VS2	I	GIA	V	V	\$594.00	3
0.28	E	VVS2	X	GIA	V	X	\$658.00	3
0.28	E	VVS2	X	GIA	V	X	\$658.00	3
0.30	I	I1	I	GIA	G	V	\$372.00	3
0.30	J	SI2	V	GIA	V	V	\$439.00	3
0.30	I	SI2	X	GIA	V	V	\$466.00	3
0.30	I	SI2	V	GIA	G	V	\$466.00	3
0.30	D	I1	X	GIA	V	V	\$466.00	3
0.30	J	SI1	V	GIA	G	X	\$466.00	3
0.30	J	SI1	G	GIA	X	X	\$466.00	3
0.30	J	SI1	V	GIA	X	V	\$466.00	3
0.30	K	VS1	V	GIA	X	V	\$466.00	3
0.30	J	VS2	F	GIA	V	V	\$468.00	3
0.30	I	SI2	V	GIA	G	V	\$476.00	3
0.30	I	SI2	I	GIA	X	X	\$476.00	3
0.30	J	SI1	X	GIA	V	G	\$476.00	3
0.30	J	SI1	V	GIA	X	V	\$476.00	3
0.30	J	SI1	X	GIA	X	G	\$476.00	3
0.30	J	SI1	X	GIA	V	V	\$476.00	3
0.30	J	SI1	G	GIA	V	V	\$476.00	3
0.30	D	I1	X	GIA	V	V	\$490.00	3
0.30	H	SI2	G	GIA	V	V	\$493.00	3
0.30	H	SI2	X	GIA	V	V	\$493.00	3
0.30	H	SI2	X	GIA	V	V	\$493.00	3
0.30	H	SI2	I	GIA	V	V	\$493.00	3
0.30	H	SI2	X	GIA	V	V	\$493.00	3
0.30	H	SI2	X	GIA	V	V	\$493.00	3
0.30	I	SI1	I	GIA	V	V	\$493.00	3

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
0.30	G	SI2	G	GIA	G	G	\$493.00	3
0.30	J	VS2	X	GIA	V	V	\$493.00	3
0.30	J	VS2	V	GIA	V	V	\$493.00	3
0.30	J	VS2	V	GIA	G	V	\$493.00	3
0.30	J	VS2	I	GIA	V	V	\$493.00	3
0.30	J	VS2	V	GIA	V	V	\$493.00	3
0.30	J	VS2	X	GIA	V	V	\$493.00	3
0.30	H	SI2	G	GIA	X	X	\$504.00	3
0.30	H	SI2	V	GIA	X	V	\$504.00	3
0.30	H	SI2	X	GIA	X	X	\$504.00	3
0.30	H	SI1	F	GIA	V	X	\$519.00	3
0.30	H	SI1	V	GIA	V	V	\$519.00	3
0.30	E	SI2	X	GIA	G	G	\$519.00	3
0.30	F	SI2	V	GIA	V	V	\$520.00	3
0.30	F	SI2	V	GIA	V	V	\$520.00	3
0.30	F	SI2	V	GIA	G	V	\$520.00	3
0.30	F	SI2	X	GIA	V	G	\$520.00	3
0.30	F	SI2	I	GIA	V	V	\$520.00	3
0.30	F	SI2	I	GIA	V	V	\$520.00	3
0.30	F	SI2	I	GIA	G	V	\$520.00	3
0.30	F	SI2	I	GIA	V	V	\$520.00	3
0.30	F	SI2	V	GIA	V	V	\$520.00	3
0.30	F	SI2	V	GIA	V	V	\$520.00	3
0.30	F	SI2	V	GIA	V	V	\$520.00	3
0.30	G	SI2	X	GIA	X	V	\$520.00	3
0.30	G	SI2	I	GIA	V	V	\$520.00	3
0.30	G	SI2	I	GIA	V	V	\$520.00	3
0.30	I	SI1	V	GIA	X	V	\$520.00	3
0.30	I	SI1	V	GIA	V	V	\$520.00	3
0.30	I	SI1	V	GIA	V	X	\$520.00	3
0.30	I	SI1	V	GIA	X	X	\$520.00	3
0.30	F	SI2	I	GIA	G	G	\$520.00	3
0.30	F	SI2	V	GIA	V	X	\$520.00	3
0.30	G	SI2	G	GIA	V	V	\$520.00	3
0.30	G	SI2	V	GIA	X	V	\$520.00	3
0.30	G	SI2	X	GIA	V	V	\$520.00	3
0.30	G	SI2	X	GIA	V	V	\$520.00	3
0.30	G	SI2	V	GIA	G	V	\$520.00	3
0.30	I	SI1	G	GIA	V	V	\$520.00	3
0.30	I	SI1	V	GIA	V	V	\$520.00	3
0.30	I	SI1	V	GIA	G	V	\$520.00	3
0.30	I	SI1	V	GIA	V	V	\$520.00	3
0.30	I	SI1	V	GIA	V	V	\$520.00	3
0.30	I	SI1	I	GIA	V	V	\$520.00	3
0.30	I	SI1	F	GIA	G	V	\$520.00	3
0.30	I	SI1	X	GIA	V	G	\$520.00	3

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
0.30	I	SI1	I	GIA	G	G	\$520.00	3
0.30	I	SI1	I	GIA	V	V	\$520.00	3
0.30	I	SI1	I	GIA	V	V	\$520.00	3
0.30	I	SI1	V	GIA	V	V	\$520.00	3
0.30	I	SI1	X	GIA	X	V	\$520.00	3
0.30	J	VS1	V	GIA	X	V	\$520.00	3
0.30	J	VS1	X	GIA	V	V	\$520.00	3
0.30	J	VS1	V	GIA	V	V	\$520.00	3
0.30	J	VS1	V	GIA	V	X	\$520.00	3
0.30	J	VS1	X	GIA	V	X	\$520.00	3
0.30	J	VS1	V	GIA	V	V	\$520.00	3
0.30	J	VS1	X	GIA	V	V	\$520.00	3
0.30	J	VS1	V	GIA	V	V	\$520.00	3
0.30	J	VS1	X	GIA	G	V	\$520.00	3
0.30	J	VS1	X	GIA	V	V	\$520.00	3
0.30	J	VS1	G	GIA	X	V	\$520.00	3
0.30	J	VS1	X	GIA	V	V	\$520.00	3
0.30	J	VS1	X	GIA	X	X	\$520.00	3
0.30	J	VS1	I	GIA	V	G	\$520.00	3
0.30	J	VS1	V	GIA	V	V	\$520.00	3
0.30	J	VS1	I	GIA	V	V	\$520.00	3
0.30	K	VVS2	X	GIA	V	V	\$520.00	3
0.30	G	SI2	I	GIA	X	V	\$531.00	3
0.30	I	SI1	X	GIA	V	V	\$531.00	3
0.30	I	SI1	V	GIA	G	V	\$531.00	3
0.30	I	SI1	I	GIA	V	V	\$531.00	3
0.30	I	SI1	X	GIA	X	V	\$531.00	3
0.30	D	SI2	G	GIA	V	V	\$544.00	3
0.30	G	SI1	V	GIA	V	V	\$544.00	3
0.30	E	SI2	I	GIA	X	X	\$547.00	3
0.30	E	SI2	X	GIA	X	V	\$547.00	3
0.30	H	SI1	G	GIA	X	X	\$547.00	3
0.30	H	SI1	V	GIA	V	G	\$547.00	3
0.30	H	SI1	X	GIA	V	V	\$547.00	3
0.30	H	SI1	X	GIA	G	G	\$547.00	3
0.30	H	SI1	I	GIA	X	X	\$547.00	3
0.30	H	SI1	V	GIA	V	G	\$547.00	3
0.30	I	VS2	X	GIA	X	V	\$547.00	3
0.30	E	SI2	V	GIA	G	G	\$547.00	3
0.30	E	SI2	V	GIA	X	X	\$547.00	3
0.30	E	SI2	V	GIA	G	V	\$547.00	3
0.30	E	SI2	V	GIA	V	V	\$547.00	3
0.30	H	SI1	G	GIA	V	G	\$547.00	3
0.30	H	SI1	V	GIA	G	X	\$547.00	3
0.30	H	SI1	X	GIA	V	V	\$547.00	3

* P= Poor, F= Fair, G= Good, V= Very Good, X= Excellent, I= Ideal

Exhibit 3 (continued)

Carat	Colour	Clarity	Cut*	Certification	Polish*	Symmetry*	Price	Wholesaler
0.30	H	SI1	X	GIA	V	X	\$547.00	3
0.30	H	SI1	X	GIA	G	G	\$547.00	3
0.30	H	SI1	X	GIA	G	V	\$547.00	3
0.30	H	SI1	V	GIA	X	V	\$547.00	3
0.30	H	SI1	V	GIA	X	V	\$547.00	3
0.30	H	SI1	V	GIA	V	V	\$547.00	3
0.30	H	SI1	V	GIA	V	V	\$547.00	3
0.30	H	SI1	X	GIA	V	V	\$547.00	3
0.30	H	SI1	V	GIA	X	V	\$547.00	3
0.30	H	SI1	X	GIA	X	V	\$547.00	3
0.30	H	SI1	V	GIA	V	V	\$547.00	3
0.30	H	SI1	V	GIA	X	V	\$547.00	3
0.30	H	SI1	X	GIA	V	V	\$547.00	3
0.30	H	SI1	X	GIA	V	V	\$547.00	3
0.30	H	SI1	I	GIA	G	V	\$547.00	3
0.30	H	SI1	V	GIA	X	V	\$547.00	3
0.30	H	SI1	X	GIA	V	V	\$547.00	3
0.30	I	VS2	V	GIA	V	X	\$547.00	3
0.30	I	VS2	X	GIA	V	V	\$547.00	3
0.30	I	VS2	X	GIA	X	X	\$547.00	3
0.30	I	VS2	I	GIA	V	V	\$547.00	3
0.30	I	VS2	V	GIA	X	V	\$547.00	3
0.30	I	VS2	V	GIA	V	V	\$547.00	3
0.30	I	VS2	I	GIA	V	V	\$547.00	3
0.30	I	VS2	X	GIA	V	V	\$547.00	3
0.30	I	VS2	I	GIA	X	V	\$547.00	3
0.30	I	VS2	X	GIA	V	X	\$547.00	3
0.30	I	VS2	X	GIA	X	V	\$547.00	3
0.30	I	VS2	I	GIA	G	V	\$547.00	3
0.30	I	VS2	I	GIA	G	V	\$547.00	3
0.30	I	VS2	I	GIA	X	V	\$547.00	3
0.30	I	VS2	I	GIA	X	V	\$547.00	3
0.30	K	VVS1	X	GIA	X	V	\$547.00	3
0.30	K	VVS1	V	GIA	X	V	\$547.00	3
0.30	H	SI1	G	GIA	V	V	\$559.00	3
0.30	H	SI1	X	GIA	V	V	\$559.00	3
0.30	H	SI1	V	GIA	X	X	\$559.00	3
0.30	H	SI1	X	GIA	V	X	\$559.00	3

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