



May 2, 2010

Joe Sample  
123 Any St.  
Anywhere, CT 06000

At your request I examined the jewelry you submitted for valuation and have provided an opinion of the Fair Market Value.

This report is valid only in its entirety and the final figure excludes any taxes. The value conclusions are subject to limiting conditions that are set forth in the body of the report. To the best of my knowledge and experience, I estimate the jewelry has a total Fair Market Value of \$4,000.00 .

I have no past, present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved. I affirm that I am a “qualified appraiser” as defined in Section 1219 of the Pension Protection Act, 2006, and that I have not been barred from presenting evidence or testimony by the Director of Practice for the Internal Revenue Service.

This report was prepared in accordance with the standards set forth by the American Society of Appraisers (ASA), the American Gem Society (AGS), the National Association of Jewelry Appraisers (NAJA) and complies with the Uniform Standards of Professional Appraisal Practice (USPAP).

Photographs are included with the original report for your reference. I suggest that you keep your copy of this report in a safe place. If I can be of any further assistance, please call.

Sincerely,

Paul D. Indorf, GG, ICGA, ASG, ASA  
Master Gemologist Appraiser®

Enclosures



*Connecticut*  
**JEWELRY APPRAISERS**  
*"We value your treasures"*

## **GEM AND JEWELRY VALUATION**

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FAIR MARKET VALUE APPRAISAL FOR THE EXPRESS PURPOSE  
OF USE IN THE ESTATE OF  
**MILDRED A. SAMPLE**

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Prepared  
For

**Joe Sample**  
**123 Any St.**  
**Anywhere, CT 06000**

**Prepared by:**  
Paul D. Indorf, GG, ICGA, ASG, ASA  
Master Gemologist Appraiser®  
**Date:** 5/2/2010

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This report is valid only in its entirety and for its stated purpose and intended use and was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the National Association of Jewelry Appraisers (NAJA).

## SCOPE OF WORK

### TYPE OF VALUE

The purpose of this report is to describe and document the quality of the jewelry listed and to estimate its Fair Market Value.

### INTENDED USE AND USERS

The objective of this appraisal was to determine the Fair Market Value of the listed items for the express function of determining federal, state and/or probate tax liability for the estate of Mildred A. Sample.

### LOCATION AND VALUATION DATES

Inspection and evaluation location: 3 Sypher Rd., Chester, Connecticut

Date of death: 8/25/2009

Inspection Date: 5/2/2010

Effective Date: 8/25/2009

### DEFINITION OF FAIR MARKET VALUE

The fair market value is the price at which the property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property... is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account location of the item wherever appropriate. Taken from Treasury Regulation 20.2031-1 (b)

### MARKET

Value always relates to a particular market. The most appropriate market for valuing jewelry can vary depending upon the purpose of the appraisal and the attributes of the article including materials, condition, and craftsmanship, period of manufacture, provenance, desirability and demand. The type of outlet that most commonly sells the items being appraised to the public is considered to be the most appropriate market.

In general, there has been consultation with and/or use of several types of resources including specialist dealers, auction sales results, reproduction quotes, and retailer catalogs, recognized price guides, invoices, actual sales by dealers, or other personal observations. Any or all of these resources may have been used to form an opinion of value. If a market used in the development of the value conclusions was other than balanced, it will be so noted. I assume the information relied upon to be credible and factually correct. In short, the most common market where this type of jewelry is sold to the public is the mid-level auction market.

### APPROACH TO VALUE (ASA)

There are three traditional approaches to value, which are as follows:

- ◆ **Sales comparison approach:** Compares the qualities of the subject item to an article with similar or identical qualities, and researches and records current verifiable sales of such merchandise.
- ◆ **Cost approach:** Establishes the total value of an item by considering the value of its component parts (precious metal content, gemstone weights and qualities, labor, and any other fees). To this is applied the appropriate retail markup according to the norms of the jewelers in the locale, supply and demand and the current state of the marketplace.
- ◆ **Income approach:** Applies to income producing properties and is used only if an income situation or rental property can be identified.

Depending upon the circumstances of the individual item of jewelry and the market conditions prevailing at the time of the appraisal, replacement value for insurance purposes may be estimated using the sales comparison and/or the cost approach. Usually both valuation methods are considered. The income approach does not apply in this appraisal because no income stream is currently being produced by the property. Unless otherwise noted, the approach to value used in this report was the sales comparison approach.

## **METALS MARKET**

Source: [www.kitco.com](http://www.kitco.com)  
Date: 5/2/2010  
Gold: \$1,179.30  
Silver: \$18.64  
Platinum: \$1,739.00

## **SUBSCRIPTIONS RETAINED FOR VALUE CONSULTING**

Drucker, Richard – The Guide, Northbrook, IL  
Levine, Gail – Auction Market Resource, Rego Park, NY  
Specht, Kenneth – The Specht Sheet, Miami, FL  
Braun, Peter – Wristwatch Annual 2009, New York, NY  
Shugart, Cooksey – Complete Price Guide to Watches 2009, Mount Pleasant, SC  
[www.GemPrice.com](http://www.GemPrice.com)  
[www.liveauctioneers.com](http://www.liveauctioneers.com)  
[www.sothebys.com](http://www.sothebys.com)

## **LIST OF LABORATORY INSTRUMENTS**

My gemological laboratory is accredited by the American Gem Society (AGS) and includes all of the minimum required equipment. Any combination of this equipment listed below, deemed necessary for an accurate and thorough examination of the appraised items, may have been utilized in the completion of this assignment.

- ◆ Binocular microscope
- ◆ Leveridge gauge
- ◆ Electronic scale
- ◆ Thermal conductivity diamond tester
- ◆ Touchstone and acids
- ◆ Ultraviolet light unit
- ◆ Fiber optic light
- ◆ Electronic metals tester
- ◆ Spectroscope
- ◆ Proportionscope
- ◆ Polariscopes
- ◆ Dichroscope
- ◆ GIA Color Grading Gemset
- ◆ Refractometer
- ◆ Chelsea color filter
- ◆ Heavy liquids
- ◆ Spectrowave™ Diamond light
- ◆ Graded master comparison diamonds
- ◆ ASET Scope and camera
- ◆ Digital Microscope
- ◆ Hanneman Filters

## **METHODOLOGY**

### **GENERAL PROCEDURE**

The jewelry described within was analyzed and graded in accordance with prescribed grading standards using "state of the art" methods utilizing the laboratory equipment listed above. If there is a material effect on the value, the appraiser may recommend advanced testing by a major research laboratory. Jewelry constructed with precious metals (i.e., platinum, palladium, yellow or white gold and/or silver) was tested, analyzed, weighed and described for its type and content of such metal. Each item described in this report has been photographed and copies of the images as well as a copy of the report are maintained in the appraiser's files for at least five years after the report date.

### **WEAR AND TEAR**

Unless expressly stated otherwise, condition is good for the type and period. Ordinary wear and tear is not noted. Any serious damage, deficiencies or repairs affecting value are noted and considered in the valuation.

### **DIAMOND COLOR GRADING**

Colorless and near colorless diamonds are graded using pre-graded master diamond color comparison stones. The color is described using the standard grading nomenclature of the Gemological Institute of America (GIA). Diamond color grading tolerances are (+ or -) one grade on the GIA grading scale for loose diamonds and (+ or -) two grades for mounted diamonds.

### **GEMSTONE ORIGIN**

Unless otherwise stated, all stones are of natural origin. They have not been removed from their mountings and all gemstone weights, grades and measurements are approximate. Tolerances for mounted items are as follows: gemstone measurements are (+ or -) 0.5 millimeters, gemstones weights are (+ or -) 2%, mounting measurements are (+ or -) 0.5 millimeters or 1/8 inches, gross weights are (+ or -) 0.5 pennyweights (Troy).

### **TREATMENTS**

Unless otherwise stated, all colored stones listed on this appraisal report have probably been subjected to various treatments to improve their appearance. Treatments are considered usual and customary practices when properly disclosed and when done without intent to defraud the consumer. Most treatments are stable and do not require special care. However, some treatments are reversible and re-treatable. Prevailing market values are based on these universally practiced and accepted processes by the gems and jewelry trade. In addition, detection of some treatments requires sophisticated equipment not found in a standard gemological laboratory. It is beyond the scope of the appraisal to determine exact treatment methods or the amount of treatment present. When a treatment is detected and considered not to be "usual", it will be so noted

### **TRADEMARKED ITEMS**

Whenever possible, current replacement prices are obtained for trademarked items. When that information is unavailable, prices for substantially similar substitute items are considered.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

### **OWNERSHIP**

This appraisal is not an indication or certificate of title or ownership. The appraised values are based upon the whole interest and possessor interest of the client, undiminished by any liens, fractional interests or any encumbrance or alienation. The identification of the interest of the client has been represented to me by the

client and no inquiry or investigation will be made nor is any opinion to be given as to the truth of such representation.

#### **PUBLICATION**

With the exception of my client, possession of this report or its copy does not carry with it the right of publication, nor may this report be used for any other purpose by anyone other than my client or his agent without my previous written consent. If this report is reproduced, copied or otherwise used it must be done so in the report's entirety including the cover document and all attachments. Furthermore, no change to any item in this appraisal shall be made by anyone other than the appraiser. This document is invalid unless all items listed in the Table of Contents are present.

#### **VALUE CONCLUSIONS**

The value conclusions expressed herein are an unbiased opinion based on the appraiser's best judgment. I assume the information relied upon for determining values to be factually correct. The values listed are not a representation or warranty that an item will realize those prices if offered for sale at auction or otherwise. The values expressed are based on current information on the effective date of the appraisal. No opinion is expressed as to any past value, nor, otherwise expressly stated, as to any future value.

#### **UPDATES**

Periodic review of appraisal values is recommended due to economic fluctuations. The appraiser is not responsible for advising the clients when values have changed; clients must establish their own appraisal value review criterion.

#### **ADDITIONAL SERVICES**

Should, in conjunction with this appraisal, additional services of the appraiser be requested by the client, his agent, or the courts (such as for added time researching for other value purposes, pretrial conferences, court appearances, court preparation, etc.), compensation for same shall be at the customary daily rate charged. The fee shall be paid by the client immediately upon receipt of a statement of said work.

#### **RELATIONSHIP**

The professional relationship between the appraiser and the client, regarding the items described herein, ends with the delivery of this report.

## **PRIVACY NOTICE**

#### **BACKGROUND**

Appraisers, along with all providers of personal financial services, are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

#### **TYPES OF NONPUBLIC PERSONAL INFORMATION COLLECTED**

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services we provide to you and may include the information provided to us by you directly or received by us from others with your prior authorization.

#### **PARTIES TO WHOM INFORMATION MAY BE DISCLOSED**

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties except as necessary or as required by law. By way of example, a necessary disclosure would be to a third party consultant who needs to know such information to assist us in providing appraisal services to you. All third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the

firm. A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

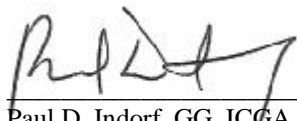
#### **CONFIDENTIALITY AND SECURITY**

We retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

### **CERTIFICATION OF APPRAISAL PRACTICE**

I hereby certify that, to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and they are my personal, impartial, professional analysis, opinions, and conclusions.
- ◆ I have no past, present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ◆ I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) 2008 – 2009 Edition.
- ◆ I have made a personal inspection of the property that is the subject of this report.
- ◆ No one provided significant personal property appraisal assistance to the person signing this report.



5/2/2010  
Paul D. Indorf, GG, ICGA, ASG, ASA  
Master Gemologist Appraiser®



**Prepared For:** Joe Sample  
123 Any St.  
Anywhere, CT 06000

**Date:** 5/2/2010

### DESCRIPTION OF ITEM(S)

**ITEM - DIAMOND BROOCH**

One lady's Art Deco diamond brooch. The brooch is hand-fabricated, set and highly polished in platinum topped 18k yellow gold. The design features a 1 inch heart-shaped domed pave' diamond brooch studded with bead set round diamonds. The brooch has standard pin parts and a folding bail. Stamped "18k". The condition is excellent. The workmanship is excellent. Gross weight 4.05-dwt.

<b>Total Diamond Weight:</b>	4.19 cts.
<b>Diamond Melee Attributes</b>	
Shape and cut:	Old European cut
Weight:	0.03 to 0.35 cts. each
Number of diamonds:	47
Total Weight:	4.19 cts. (calculated)
Clarity:	VS
Color:	H-I
Proportions:	Very Good
Finish:	Very Good



Total Fair Market Value Excluding Tax \$4,000.00

TOTAL FAIR MARKET VALUE FOR ALL ITEMS - EXCLUDING TAX \$4,000.00

FOUR THOUSAND DOLLARS AND NO CENTS

Signature of Appraiser: \_\_\_\_\_

  
Paul D. Indorf, GG, ICGA, ASG, ASA  
Master Gemologist Appraiser®  
EIN: 26-4102483

## **BIOGRAPHICAL BACKGROUND AND QUALIFICATIONS**

**Paul D. Indorf**  
**GG, ICGA, ASG, ASA**  
**Master Gemologist Appraiser®**

### **Education**

- Master of Science, Management, 2000, Albertus Magnus College
- Bachelor of Science, Business Management, 1999, Albertus Magnus College
- Associate of Arts, 1977, St. Leo College

### **Business**

- Accredited Gem Laboratory – American Gem Society – July 2009
- Independent Certified Gemologist Appraiser Firm – American Gem Society – July 2009
- Connecticut Jewelry Appraisers, Owner/Appraiser, 2009
- Peter Indorf Jewelers, Vice-President, Appraiser, Senior Gemologist, Inventory Manager, 1992-2009
- United States Navy, Chief Warrant Officer, Anti-Submarine Warfare Specialist, 1972 to 1992

### **Professional Qualifications**

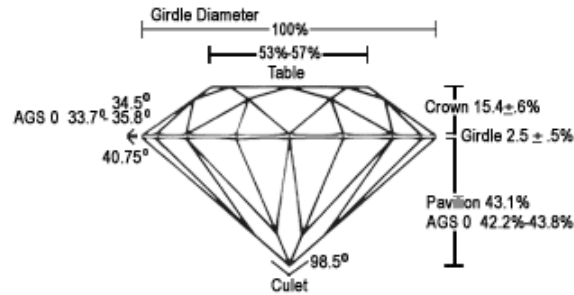
- Master Gemologist Appraiser® (MGA) , 2010, American Society of Appraisers (ASA)
- Accredited Senior Appraiser (ASA), 2010, American Society of Appraisers (ASA)
- Independent Certified Gemologist Appraiser (ICGA), 2009, American Gem Society (AGS)
- Accredited Senior Gemologist (ASG), 2009, Accredited Gemologists Association (AGA)
- Member, 2008, National Association of Jewelry Appraisers (NAJA)
- Advanced Personal Property Appraiser (APPA), 2008, American Gem Society (AGS)
- Certified Member (CAPP), 1997, International Society of Appraisers (ISA)
- Certified Gemologist Appraiser (CGA), 1994, American Gem Society (AGS)
- Graduate Gemologist (GG), 1993, Gemological Institute of America (GIA)
- Registered Jeweler (RJ), 1992, American Gem Society (AGS)

### **Professional Courses, Conferences and Seminars**

- Graduate Gemologist Program (GG), Gemological Institute of America (GIA)
- Registered Jeweler Program (RJ), American Gem Society (AGS)
- Certified Gemologist Appraiser Course (CGA), American Gem Society (AGS)
- Gems & Gemology Challenge, 1993, Gemological Institute of America (GIA)
- AGS Phoenix Conclave Seminars
  - Identification of Synthetic Gemstones
  - Pearl Grading
- Annual AGS Title Recertification Exam, 1992-present, American Gem Society (AGS)
- University of Maryland/International Society of Appraisers Core Courses
  - Course 101: Appraisal Principles and Business Practices
  - Course 102: Ethics and Standards of Professional Personal Property Appraising
  - Course 103: Basic Appraiser Techniques/Appraisal Report Writing
- Insurance Replacement Appraisal Course, 1996, Gemological Institute of America (GIA)

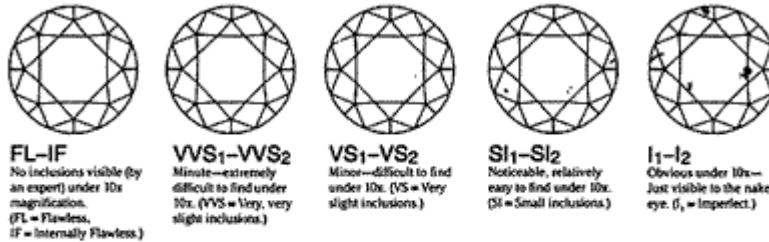
- Gemology Update: Synthetic and Treated Gems, 1998, Gemological Institute of America (GIA)
- Brightest Stars in the AGS – Diamond Performance Grading System, 2005, American Gem Society (AGS)
- Advanced Personal Property Appraisal Course, 2009, American Gem Society (AGS)
- Ace It Winter Conference, National Association of Jewelry Appraisers (NAJA), February 2-3, 2009
- Tucson Gemological Conference, Accredited Gemologists Association (AGA), February 4, 2009
- Seminars and Classes, Gemological Institute of America (GIA) - February 7, 2009
  - Microscope Challenge - John Koivula
  - Identifying Synthetics and Imitations - Andy Lucas
- Ethics Examination – American Society of Appraisers (ASA) – April 7, 2009
- Gems and Jewelry Appraisal Techniques and Standards (GJ206) – American Society of Appraisers (ASA) – May 26-29, 2009
- National Uniform Standards of Professional Appraisal Practice (USPAP SE100) – American Society of Appraisers (ASA) – June 30, 2009
- 2009 Antique Jewelry & Art Conference – Hofstra University – July 17-19, 2009
- Appraisal Theory, Methods & Applications (GJ205) – American Society of Appraisers (ASA) – July 20-22, 2009
- Yale Jewelry Symposium – Yale University – October 16-17, 2009
- Advanced Gemology – Diamonds – Tucson – January 30, 2010
- Advanced Gemology – Ruby, Sapphire, Emerald and Jade – Tucson – January 30, 2010
- Ace It Winter Conference, National Association of Jewelry Appraisers (NAJA), January 31-February 1, 2010
- Tucson Gemological Conference, Accredited Gemologists Association (AGA), February 3, 2010
- 2010 Boston Conclave, American Gem Society (AGS), April 21-24, 2010

## AGS/GIA DIAMOND GRADING STANDARDS



### COLOR GRADING SCALE

GIA	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
	Colorless			Near Colorless			Faint Yellow			Very Light Yellow			Light Yellow										
AGS	0	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5	10		



### CLARITY GRADING SCALE

GIA	Flawless	VS <sub>1</sub>	VS <sub>2</sub>	VS <sub>1</sub>	VS <sub>2</sub>	SI <sub>1</sub>	SI <sub>2</sub>	I <sub>1</sub>	I <sub>2</sub>	I <sub>3</sub>	
	Internally Flawless	Imperfect									
AGS	0	1	2	3	4	5	6	7	8	9	10

