

Retail Replacement Value Appraisal

Property Belonging to

Mr. Richard Kahn

9 East 71st Street, New York, New York

Values as of

June 24, 2015

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AFFIDAVIT

STATE OF NEW YORK)

SS:

COUNTY OF NEW YORK)

I, David Sleeman, Director of Winston Art Group, Tax ID # 27-2541263, being duly sworn, hereby depose and certify:

That the facts contained in this report are true and correct to the best of the ability of the appraiser.

That the reported analyses, opinions, and conclusions herein are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions. That the appraiser has no personal or financial interest regarding the property or the parties involved. That the appraiser has no bias regarding the property or the parties involved. That this appraisal represents our best judgment and opinion as to the Retail Replacement Value of the subject property. That our appraisal will not be a representation or warranty with respect to authenticity, genuineness or provenance. That the values are given for the same or comparable items. That you agree to indemnify and hold Winston Art Group harmless from and against any and all claims, actions, damages, losses, liabilities, and expenses (including legal fees) relating to this appraisal. That the fee is charged on an hourly basis and is not contingent upon the value of the objects appraised.

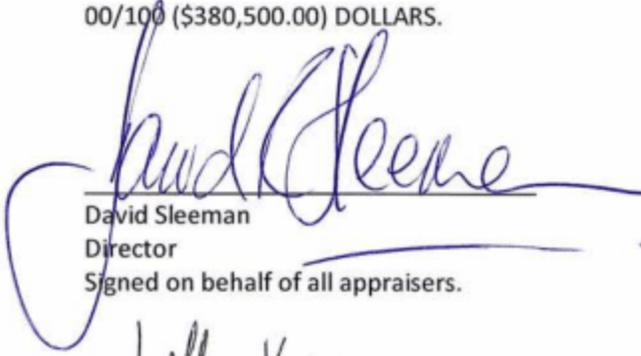
That on June 24, 2015, at the request of Mr. Richard Kahn, he caused Kelly Schaber, a qualified appraiser of tangibles of the kind and character set down upon the annexed schedule who has been in the appraisal business for over 30 years to examine and appraise the retail replacement value of property belonging to Mr. Richard Kahn, 9 East 71st Street, New York, New York.

That the appraisal is prepared in accordance with the 2014-2015 USPAP. The values provided are as of the date of inspection, June 24, 2015. That the appraisal is for Retail Replacement Value, defined by the Appraiser's Association of America as the amount it would cost to replace an item with one of similar and like quality purchased in the most appropriate marketplace within a limited amount of time.

That this appraisal was prepared using the Comparative Market Data Approach, in which appraised value is based upon past prices for similar works by the same artist or artisan, or similar works by another artist or artisan of equal standing and related reputation.

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That the Retail Replacement Value is: THREE HUNDRED EIGHTY THOUSAND FIVE HUNDRED AND
00/100 (\$380,500.00) DOLLARS.



David Sleeman
Director
Signed on behalf of all appraisers.



Joelle Kraus
Notary Public
Signed and sworn before me this day
1st day of July, 2015

JOELLE KRAUS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01KR6314174
Qualified in New York County
My Commission Expires November 03, 2018



SCOPE OF WORK

Purpose of Appraisal: The appraiser was asked to examine and appraise, and to prepare a RETAIL REPLACEMENT VALUE appraisal from inspection, for insurance purposes. This report is not valid for any other purposes.

Category of Items: 4 loose diamonds

Client: Mr. Richard Kahn

Owner: Mr. Richard Kahn

Ownership Interest / Art Loss Registry: The question of title was not considered for this appraisal. The appraiser did not undertake a title search with the Art Loss Registry.

Effective Date of Appraisal: Values expressed in this appraisal are effective as of the date of inspection, June 24, 2015.

User(s) of Appraisal: This appraisal can be used and relied upon by the client and his/her designates, including the insurance company. Any other user is considered an unintended user.

Assignment Considerations and Limiting Conditions: The appraiser inspected works in one location and was provided with adequate time to examine the works. GIA Certificates were provided by the client and have been scanned for use in the appendix of this report for reference. The appraiser was given adequate time to research the works. Relevant comparable information is included in the document or maintained in the work file at the offices of Winston Art Group and available upon request.

Extraordinary Assumptions: An extraordinary assumption is defined as an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraisers opinions or conclusions. All documentation and images provided by the client are assumed to be accurate.

Hypothetical Conditions: A hypothetical condition is defined as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. No hypothetical conditions have been applied to this appraisal.

Method of Examination: Examination consisted of a visual inspection of the items and the images to confirm the medium, style, quality, date, measurements, and condition of the works. Lighting and image quality were considered adequate.

Photography: A 10 megapixel digital camera was used for photography. Photographs have been cropped and straightened for closer views.

Method of Research: Research was conducted in the offices of Winston Art Group and with on-line auction result databases such as Artfact.com, Artnet.com, and Artprice.com. In addition, the appraiser was in contact with the appropriate retail venues.

Approach to Value: The appraiser has employed the “market comparison” approach to arrive at the appraised “Retail Replacement Value”. The “income” approach and the “cost” approach are not applicable to this particular appraisal and were not considered.

Market Examined: The “market comparison” approach analyzes recent sales of comparable articles at major international and regional auction houses, private and public sales, shows and exhibitions, as well as prevailing prices at retail shops and galleries where the article may normally be traded.

Type of Valuation: The **Retail Replacement Value** is defined as the amount it would cost to replace an item with one of similar and like quality purchased in the most appropriate marketplace within a limited amount of time.

Type of Appraisal & USPAP Compliancy: This report is considered an unrestricted appraisal according to the rules of *USPAP 2014-2015 (Uniform Standard of Professional Appraisal Practice)* and follows the guidelines of *USPAP* for providing all of the necessary information/analysis to satisfy the report writing requirements of an unrestricted appraisal.

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Retail Replacement Value



WAG #: 8182/153542

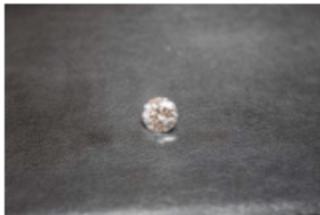
LOOSE ROUND BRILLIANT DIAMOND 2.36 CARATS

One loose round brilliant cut diamond 2.36 carats, measuring 8.68 x 8.73 x 5.17 mm, Color D, clarity Internally Flawless, polish Very Good, symmetry Excellent, Fluorescence none. For further details please see the attached GIA certificate #13096420

FURTHER DETAILS

GIA certificate #13096420 (see Appendix)

\$115,000



WAG #: 8182/153539

LOOSE ROUND BRILLIANT DIAMOND 2.28 CARATS

One loose round brilliant cut diamond 2.28 carats, measuring 8.54 x 8.61 x 5.18 mm, Color D, clarity Internally Flawless, Polish Excellent, Symmetry Excellent, Fluorescence Faint. For further details please see the attached GIA certificate #13100048

FURTHER DETAILS

GIA certificate #13100048 (see Appendix)

\$95,500



WAG #: 8182/153541

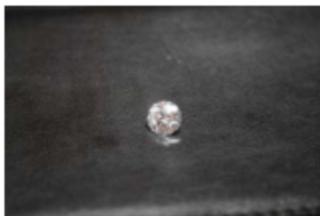
LOOSE ROUND BRILLIANT DIAMOND 2.13 CARATS

One loose round brilliant cut diamond 2.13 carats, measuring 8.22 x 8.33 x 5.20 mm, Color D, clarity Internally Flawless, polish Very Good, symmetry Very Good, Fluorescence none. For further details please see the attached GIA certificate #12378695

FURTHER DETAILS

GIA certificate #12378695 (see Appendix)

\$87,500



WAG #: 8182/153540

LOOSE ROUND BRILLIANT DIAMOND 2.03 CARATS

One loose round brilliant cut diamond 2.03 carats, measuring 8.19 x 8.31 x 4.99 mm, Color D, clarity Internally Flawless, polish Very Good, symmetry Very Good, Fluorescence none. For further details please see the attached GIA certificate #10177902

FURTHER DETAILS

GIA certificate #10177902 (see Appendix)

\$82,500

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Retail Replacement Value

Grand Total (4 Items) \$380,500

Appendix

GIA Certificates (*see corresponding WAG#
noted upper left*)



GIA
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148310001

DIAMOND GRADING REPORT

January 29, 2004

Shape and Cutting Style **ROUND BRILLIANT**
Measurements **6.68 - 8.73 x 5.17 mm**
Weight **2.36 carat**

Proportions

Depth **59.4 %**
Table **59 %**
Girdle **THIN TO MEDIUM, FACETED**
Culet **NONE**

Finish

Polish **VERY GOOD**
Symmetry **EXCELLENT**

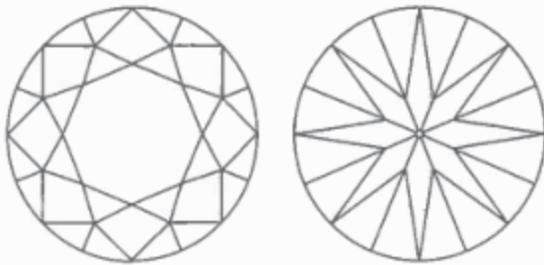
Clarity Grade **INTERNALLY FLAWLESS**
Color Grade **D**
Fluorescence **NONE**

Comments:

Minor details of polish are not shown.

GIA CLARITY SCALE		GIA COLOR SCALE	
FLAWLESS	EXCELLENT CLARITY GRADE	D	DEFINITE WEIR
INTERNALLY FLAWLESS		E	
VVS ₁		F	
VVS ₂		G	
VS ₁		H	
VS ₂	VERY GOOD CLARITY GRADE	I	LIMITED WEIR
		J	
SI ₁	SLIGHTLY INCLUDED	K	LIMITED WEIR
		L	
SI ₂	SLIGHTLY INCLUDED	M	LIMITED WEIR
		N	
I ₁	INCLUDED	O	LIMITED WEIR
		P	
I ₂	INCLUDED	Q	LIMITED WEIR
		R	
I ₃	INCLUDED	S	LIMITED WEIR
		T	
		U	
		V	
		W	
		X	
		Y	
		Z	

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KEY TO SYMBOLS



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DIAMOND GRADING REPORT

January 26, 2004

Shape and Cutting Style **ROUND BRILLIANT**

Measurements **8.54 - 8.61 x 5.18 mm**

Weight **2.28 carat**

Proportions

Depth **60.4 %**

Table **57 %**

Girdle **MEDIUM, FACETED**

Culet **SMALL**

Finish

Polish **EXCELLENT**

Symmetry **EXCELLENT**

Clarity Grade **INTERNALLY FLAWLESS**

Color Grade **D**

Fluorescence **FAINT**

Comments:

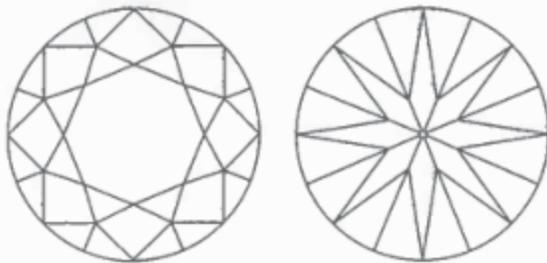
Minor details of polish are not shown.



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GIA REPORT 131000490

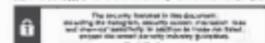
GIA CLARITY SCALE		GIA COLOR SCALE	
FLAWLESS	EXCELLENCE EXCELLENT VERY GOOD	D	BEST COLOR VERY GOOD VERY FINE VERY LIGHT LIGHT
INTERNALLY FLAWLESS		E	
VS ₁	F		
VS ₂	G		
VS ₁	H		
VS ₂	I		
SI ₁	J		
SI ₂	K		
I ₁	L		
I ₂	M		
I ₃	N		
	O		
	P		
	Q		
	R		
	S		
	T		
	U		
	V		
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	X		
	Y		
	Z		



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DIAMOND GRADING REPORT

GIA REPORT 12378695

January 29, 2009

Shape and Cutting Style ROUND BRILLIANT
 Measurements 8.22 • 8.33 x 5.20 mm
 Weight 2.13 carat

Proportions
 Depth 62.8 %
 Table 56 %
 Girdle MEDIUM TO SLIGHTLY THICK, FACETED
 Culet VERY SMALL

Finish
 Polish VERY GOOD
 Symmetry VERY GOOD

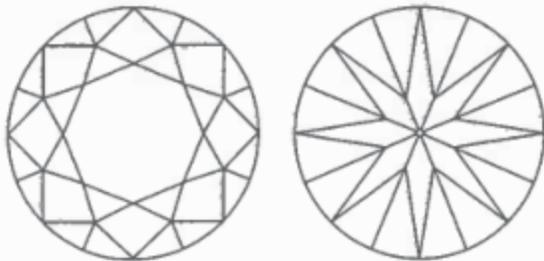
Clarity Grade INTERNALLY FLAWLESS
 Color Grade D
 Fluorescence NONE

Comments:
 Minor details of polish are not shown.

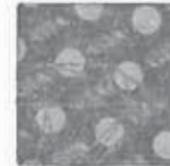


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GIA CLARITY SCALE		GIA COLOR SCALE	
FLAWLESS	NEAR FLAWLESS	D	DEFINITE COLOR
INTERNALLY FLAWLESS		E	
VVS ₁	NEAR FLAWLESS INCLUDED	F	DEFINITE COLOR
VVS ₂		G	
VS ₁	SLIGHTLY INCLUDED	H	DEFINITE COLOR
VS ₂		I	
S ₁	SLIGHTLY INCLUDED	J	DEFINITE COLOR
S ₂		K	
I ₁	INCLUDED	L	DEFINITE COLOR
I ₂		M	
I ₃		N	
		O	
		P	
		Q	
		R	
		S	
		T	
		U	
		V	
		W	
		X	
		Y	
		Z	



KEY TO SYMBOLS



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DIAMOND GRADING REPORT

November 26, 2002

Shape and Cutting Style **ROUND BRILLIANT**
Measurements **8.19 - 8.31 x 4.99 mm**
Weight **2.03 carat**

Proportions

Depth **60.5 %**
Table **59 %**
Girdle **VERY THIN TO MEDIUM, FACETED**
Culet **VERY SMALL**

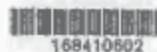
Finish

Polish **VERY GOOD**
Symmetry **VERY GOOD**

Clarity Grade **INTERNALLY FLAWLESS**
Color Grade **D**
Fluorescence **NONE**

Comments:

Minor details of polish are not shown.

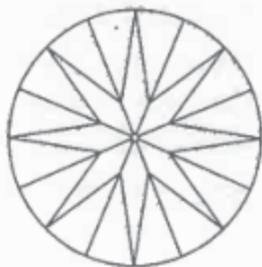
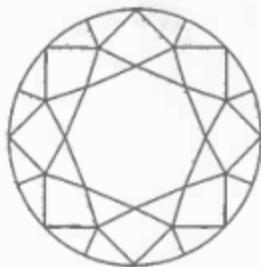


168410602

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GIA REPORT 10117502

GIA CLARITY SCALE		GIA COLOR SCALE	
FLAWLESS	ORIGIN ADULT AREA AREA	ESTIMATED	D
INTERNALLY FLAWLESS			E
VVS ₁	ORIGIN ADULT AREA AREA	ESTIMATED	F
VVS ₂			G
VS ₁	ORIGIN ADULT AREA AREA	ESTIMATED	H
			I
VS ₂	ORIGIN ADULT AREA AREA	ESTIMATED	J
			K
SI ₁	ORIGIN ADULT AREA AREA	ESTIMATED	L
			M
SI ₂	ORIGIN ADULT AREA AREA	ESTIMATED	N
			O
I ₁	ORIGIN ADULT AREA AREA	ESTIMATED	P
			Q
I ₂	ORIGIN ADULT AREA AREA	ESTIMATED	R
			S
I ₃	ORIGIN ADULT AREA AREA	ESTIMATED	T
			U
			V
			W
			X
			Y
			Z



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Market Overviews

African and Oceanic Art:

Works of art with dazzling familial and retail provenances were the star sellers in the 2013 season in New York and Paris. The 2013 sales included legendary private collections with large concentrations of specific regional and/or ethnic examples of superlative sculptures. These single-owner sales led the market in both the African and Oceanic art categories. The same was true for the both domestic and European markets, the latter being the stronger venue.

Among the offerings of African art, power figures called *nkisi* from the Democratic Republic of Congo created much excitement with one reaching \$1.8 million, including the buyer's premium. Oceanic art sales also saw healthy results, with a rare example of traditional architectural sculpture from the Biwat people in the Sepik River area, Papua New Guinea achieving €2,505,500, also with commission. Both were exceptional offerings. The significance of provenance was even evidenced by the recurring importance of historic base makers, such as those stylistically identifiable (and often signed) wood supports by the Japanese craftsman Kichizô Inagaki who resided in Paris.

American Painting:

The end of 2008 through early 2011 presented challenges to the American art market. While the top end held strong, the middle market did not sell robustly, either failing to find buyers, or attracting only opportunistic buyers. Because the banks pulled back credit, even dealers who would normally buy for inventory instead held on to cash. Galleries that held large inventory at the outset of the recession were forced to offer substantial discounts to collectors in order to maintain cash flow.

The private market for American art has always had wider margins than the auction market. Private sale prices can be significantly higher than those for comparable works at auction. The works of important 19th century Hudson River School and genre paintings remain in private hands. These works have been slower to come to market in this tenuous moment, as sellers await a more robust market.

Following the 2013 sale season there have been exuberant prices in all sectors of the art market. In the American art market in particular, there have been strong and steady prices at all levels, which is a departure from the last five years, which only saw strong prices at the top of the market.

-Betty Krulik, Specialist, American Art

Asian Works of Art:

The economic development and increased wealth in Asia over the past decade has led to a viable art market consisting of a rise in Asian collectors, as well as a renewed international interest in the arts of Asian cultures. In particular, Asian contemporary art, especially Chinese contemporary, has received a massive amount of attention from overseas speculators. Notably, billionaire Wang Jialin purchased

Pablo Picasso's *Claude et Paloma* at Sotheby's New York November 2013 auction for \$28.2 million. There has also been a plethora of international galleries who have opened businesses in Hong Kong with much thanks to spotlight from Art Basel Hong Kong, the art fair which debuted in May 2013.

In 2013 Christie's and Sotheby's saw growth in their Hong Kong sales. At Sotheby's Zeng Fanzhi's *The Last Supper* set the record for the most expensive piece of Chinese contemporary art ever sold at auction at \$23.1 million. We have seen an especially strong market for marked porcelains from the 18th and early 19th centuries as well as an upheaval of interest in jades (only in white and green colors), and Archaic bronzes. The Indian art market continues to climb, with sales up 27 percent from September 2012.

The Chinese art market is the fastest growing contemporary art market in the world. Asia Week New York 2014 saw the largest number of galleries participating since its inception, with a record-setting 47 dealers presenting museum-quality exhibitions.

It should be noted that the field of Chinese paintings and calligraphy is extremely complex and scholarly opinions concerning authenticity are more complicated and nuanced than is customary for western drawing and painting. The major international auction houses reflect the lack of scholarly consensus in the category of Chinese paintings (including calligraphy) by amending their standard terms of guarantee.

For example, beginning in the 1980s, all Sotheby's catalogues of Fine Chinese offered for sale in New York have included the following statement:

"The artists' names recorded in this catalogue are not to be taken as unqualified attributions to the artists named. No unqualified attributions to any artist or date are made or intended. The current scholarship in the field of Chinese paintings does not permit unqualified statements as to authorship of date of execution. . . "

Christie's indicates in the fine print of their catalogues that the standard warranty does not apply "in respect of Southeast Asian Modern and Contemporary Art and Chinese Painting and Calligraphy where current scholarship does not permit the making of definitive statements."

The two firms have slightly different ways of handling disputes concerning authenticity, but both statements serve as legal disclaimers which amend Sotheby's and Christie's usual terms of guarantee and limit their legal liability. More importantly, however, they are an accurate assessment of the state of the field of Chinese paintings and calligraphy. Although during the last two decades the market for Chinese paintings has increased exponentially, both in terms of the number of buyers and the prices paid for all categories of works, and there has been a tremendous renewal of scholarly interest, especially in mainland China, the field has still not reached a stage of consensus concerning the authenticity and relative quality of a great many works.

Throughout history collectors and connoisseurs of Chinese painting and calligraphy have always grappled with issues of authenticity. Since there is a long tradition of making legitimate copies of earlier works, as a means of preserving the essential qualities of the originals, as well as a way for students to learn the art of writing and painting, it is often very difficult to distinguish between an authentic work and a close copy. Naturally, the skills acquired in the process of making legitimate copies could also be used to create intentional forgeries. In past centuries sophisticated Chinese collectors were well aware of the complex nature of the field and they recognized the challenge of separating originals from forgeries but also understood that authenticity is only one factor in determining the value of a given work. For example, good copies or school works made contemporaneously with the originals are of significant value, as are later versions of now-lost compositions. Condition and provenance (including exhibition and publication) are also important factors in assessing value. Among Chinese collectors there has always been a certain level of subjectivity with regards to assessing relative quality, as well as the expectation that there might be a range of opinions with respect to the authenticity and date of execution of any given work. Unlike the situation for most important European and American artists, there are no published catalogues raisonnés or authentication panels for individual artists.

For western collectors more accustomed to the expectation of a black-and-white determination of authenticity, Chinese painting and calligraphy can be an especially challenging field. Because of the fluid nature of attributions and the subjective nature of defining relative quality, it has always been very difficult to predict how a given work will fare in the marketplace and therefore very difficult to assign fair market values. Often, works deemed as dubious by many scholars will sell for very high prices at auction.

The current situation is further exacerbated by peculiarities of the market. In recent decades, as Asian economies have prospered, and currency restrictions have loosened in Taiwan and China, the percentage of Chinese buyers active in the market for Chinese paintings has naturally increased. Since 1993, when China Guardian Auctions was founded, a number of mainland Chinese auction houses have been established, with a primary focus on Chinese paintings and calligraphy. Mainland collectors now dominate the market and Chinese auction houses account for an overwhelming percentage of total sales of Chinese paintings worldwide. However, as has been noted in a number of recent articles in the New York Times, Wall Street Journal, Forbes, and elsewhere, the tremendous expansion of the art market in China has not come without problems. It is reported that many works that are sold in auction are not actually paid for and that in some cases the published prices are not the actual prices but in fact have been inflated for marketing purposes. The fine art auction market is new in China and the appropriate safeguards for ensuring transparency and accuracy have not yet been put in place. Therefore, although the appraiser must rely, in part, on the results of the Chinese auctions since the great majority of transactions take place in China, we must recognize that it is sometimes impossible for an appraiser to know for certain whether or not a work has actually been sold and, if so, whether or not the published price is accurate.

Winston Art Group valuations are made with full knowledge of the complexities and complications associated with the current international market. While taking into account all of the available data we have ultimately relied on our own experience and professional judgment in determining the values.

-Arnold Chang, Specialist, Asian Works of Art

Books & Manuscripts:

In 2013, the high-end market for rare books, manuscripts and literary property continued to perform well, in comparison with low-end items which, with some exceptions, remained static or even declined in value. Condition continues to be of paramount importance in all areas of the rare book market.

A number of books and manuscripts sold at auction for more than \$1,000,000, including an unrecorded copy of Virgil's Opera (Venice: Vindelinius de Spira, 1470) which realized £1,181,875 including buyer's premium (\$1,843,725), above an estimate of £500,000 - 800,000. That this item was sold to a member of the American book trade reflects a high level of confidence in the sale of rare books. The Collection of Arthur of Charlotte Vershbow (Part IV) was sold at Christie's New York in October 2013, and included many incredible results. Most notably Odilon Redon's renderings of Les Fleurs du Mal, sold for the staggering sum of \$1,625,000 (including buyer's premium). In 2013 the market witnessed the sale of the most expensive printed book ever to appear at auction, namely the so-called "Bay Psalms Book" (Sotheby's New York, 26 November 2013) which realized \$14,165,000 (including buyer's premium).

Concerning modern first editions, signed copies in dust jackets continue to perform well, while unsigned copies lacking dust jackets have been perceived as being of little consequence, owing to their ubiquity on the Internet. High prices were paid for signed books by certain "canonical" authors, such as Hemingway, Faulkner, Hammett and Fitzgerald. When these books are signed by the author and/or are preserved in the original dust-jacket, prices soar. Interestingly, this trend does not hold true for lesser-known works by the same authors. Interest in women and African-American authors greatly increased in 2013. Note the copy of F. Scott Fitzgerald's Great Gatsby (New York, 1925), first edition, first printing, which sold at Heritage on 17 Oct. 2013. The dust jacket, while unrestored, was torn and partially defective; the book realized \$46,875 (including buyer's premium).

-Michael Laird, Specialist, Rare Books, Manuscripts and Archives

Collectible Cars:

The collector car market continues to be robust in activity. Overall auction results have maintained a sustained rise in prices coupled with high sell through rates. There also has been active media coverage of blockbuster private transactions. The collector car world has caught the attention of the art world along with finance media. The words "art" and "investment" are now stated in the same sentence as collector automobiles.

We find at the top of the mountain the Ferrari market. The "Enzo Era" examples are leading the charge by a long stretch accompanied by a very few special examples of alternative marques that become

available. Additionally we are finding the Mercedes 300SL to be incredibly desirable. The next level in demand is European sports cars, such as Porsches, Aston Martins, Alfa Romeos and the like. Also at this level are desirable pre-war coach built cars. The sought after cars must be correct, restored specimens or really pure examples in original condition. If the car possess either of those two criteria, the demand is strong, if they do not, the drop off in interest is substantial.

-Jock De Camp, Specialist, Classic Cars and Motorcycles

Jewelry:

The market for fine jewelry remains strong, steadily building on the momentum of the past few years. Signed pieces of importance, investment grade gemstones, rare colorless diamonds, and fancy colored diamonds continue to achieve superlative auction results, and are in high demand by collectors of the highest wealth demographic. Specifically, rare fancy pink and blue diamonds continue to be highly coveted for ultra-wealthy collectors who seek alternative tangible investments. Chinese demand has shown signs of entering a plateau, while Japanese demand for fine jewelry and gems is growing. The middle market has seen some increased activity, although it remains fairly stagnant.

-Jason Nelson, Specialist, Watches, Coins, Paper Money, Stamps, and Jewelry

Judaica:

2013 was a pivotal year for those interested in collecting Jewish ceremonial. Continuing the trend set at the end of 2012, when several important pieces from historical collections were put up for auction, major Judaica items were again offered for sale. The most important was the sale of the Michael and Judy Steinhardt collection of Jewish ceremonial art at Sotheby's in May. This collection was amassed carefully over the course of 25 years and most of the objects sold at record highs or at prices higher than original estimates. In general, it can be said that objects with certain provenance, and especially objects from the 18th century, remain in highest demand and continue to increase in value. On the lower end of the market, there remains a steady interest in Judaica on paper, including posters, postcards, broadsides, ephemera, advertising and other artifacts of Jewish, Israeli or Hebrew content.

-Elizabeth Berman, Specialist, Modern and Contemporary Art, Judaica, Historical Papers, American and European Fine Arts and Antiquities

Fabergé and Russian Works of Art:

There was a dramatic boom in the Russian art market between 2004 and 2008. During this time period, prices for anything Russian skyrocketed. Whether considering icons, late 19th century landscapes and genre scenes, early 20th century modernist paintings, Russian contemporary art, pan-Slavic furniture, silver, enamels, or the elegant wares of Carl Fabergé, the value of Russian works is increasing steadily.

The economic recession also affected the competitive spirit of Russian oligarchs. Beginning in 2008, prices for all but the finest works of art leveled off, and in some cases dipped to half their previous

values, allowing frustrated Western buyers to enter the market. Contemporary paintings suffered most, while the logical survivors were those notoriously outstanding paintings and works of art.

Interestingly, there exists an increasingly strong demand for late 19th and early 20th century cloisonné enamels. As a word of caution, the boom has engendered tens of thousands of attractively-priced forgeries available to gullible buyers, most produced in Brighton Beach or near 47th Street in New York City.

In 2013, both the spring and fall Russian Art Weeks produced strong sales. In June, \$82 million worth of Russian paintings, icons and Fabergé was sold. Christie's November 2013 sale included a rare Soviet porcelain vase, which sold for \$684,450, setting a new world record for a piece of Soviet porcelain. A highlight in the Sotheby's November 2013 sale was an Imperial porcelain vase, which sold for 2,210,500 GBP (\$3,679,377). Sotheby's combined sales at Russian Art Week Fall 2013 totaled \$25,984,610. Meanwhile, Christie's Russian Art Week Fall 2013 sales totaled \$21,115,223.

Old Masters, 19th Century:

The market for Old Masters and 19th century paintings has continued the pattern of polarization of the last four years. This has seen increased demand for only the very best works by the most celebrated artists when they appear at auction and in the private dealing market. Good physical condition and freshness to the market continue to contribute significantly to these exceptional prices. High-quality Orientalist paintings have also been performing exceptionally well with strong demand from private buyers and Middle Eastern institutions.

Meanwhile, the middle and lower levels of the market, particularly for works that have recently been seen on the market, or are not in near-perfect condition, remains difficult. While Old Master and 19th Century paintings have always been popular with established collectors in Europe and the United States, new buyers from Russia as well as Central and South America are increasingly playing a dominant role in the market. There has been some recent activity from new Asian-based buyers, but as the overall Asian art market has softened, their presence has been less predictable and their buying patterns less regular. Some successful activity in the private sales sector in Asia should be noted.

-Piers Davies, Specialist, Old Master Paintings and 19th Century Art, Sporting Art

Photographs & Photographic Literature:

The market for photography, which recovered most of its post-recession losses by 2011, has remained remarkably stable over the last three years. Continuing a trend among collectors to compete for works by well-established artists and iconic images as well as auction houses and dealers catering to a wealthier clientele, the percentage of lots sold at auction for \$1,000,000 or more has surpassed its previous high in 2008. In contrast, the percentage of lots sold for less than \$10,000 has dropped by 15% over the same period. This latter statistic is a reflection of auction houses being more selective with the

works they consign, rather than a decrease in interest for work at this price point, which still represents a hearty 40% of photographs sold.

Contemporary photography continues to dominate the top-tier of the photography market, with Andreas Gursky's monumental works representing five of the top ten photographic lots sold at auction in 2013. Prices for iconic photographs by stalwarts of early to mid-20th century photographers, such as Man Ray, Alfred Stieglitz, Robert Frank and Edward Weston, have seen prices rising precipitously, indicating growing confidence in this sector of the market and a greater appreciation for the rarity of exceptional prints by these artists. With these gains, traditional photography dealers are testing the waters at many of the larger international art fairs, and have been successfully attracting collectors who appreciate the stability and growing maturity of the photography market.

-Lucy von Brachel, Specialist, Photography

Oriental Carpets:

Over the past decade, classical court carpets dating from the 16th and 17th Centuries have realized the highest prices in the international auction market. On June 5, 2013, Sotheby's New York sold the collection of copper baron William Andrews Clark. This collection, comprising 25 exceptional carpets from this period, was bequeathed to the Corcoran Gallery of Art in 1925, and was being offered to benefit future acquisitions at that institution. It was generally accepted that this was the most important group of carpets to be offered in the past 80 years.

The star lot of the sale, Lot 12, referred to as the Clark sickle-leaf carpet, was woven in southeast Persia in the first half of the seventeenth century. Measuring 8' 9" x 6' 5", it possessed a great balance of design, as well as exceptional color and condition. Estimated at \$5,000,000 - 7,000,000, it realized \$33,765,000 (including premium), eclipsing previous record auction prices for a carpet (\$9,600,000 for a 17th Century Kirman carpet sold at Christie's London in 2010), an Islamic work of art (\$12,000,000 for an illustrated leaf from the Safavid Shahnameh of Shah Tahmasp sold at Sotheby's in 2011), and a piece of furniture (\$27,800,000 for Eileen Gray's "Dragons" chair sold at Christie's in 2009).

Another classical court carpet offered at Christie's London on October 8, 2013, was a Mughal millefleurs carpet previously owned by Cornelius Vanderbilt. It sold for \$7,687,119, confirming the incredible strength of the market for rare period carpets with provenance.

-Mark Topalian, Specialist, Rugs, Carpets and Tapestries

Sports and Music Memorabilia:

The sports memorabilia market has exhibited very strong results for market-fresh, high-end material during the past couple of years. In December 2013, one of Jesse Owen's 1936 Berlin Summer Olympics gold medals sold for \$1.4 million, setting a new record for Olympic sports memorabilia. Likewise, the music memorabilia market has shown a burst of energy, as well as a gradual shift toward more

contemporary Pop movements like Punk, Grunge, and Hip Hop. Iconic items from the classic era of Rock have shown exceptional growth, as evidenced by Bob Dylan's Newport Festival Stratocaster, which sold in December 2013 for \$965,000, well exceeding the estimate of \$300,000 - 500,000. Bob Dylan, now 72, played the 1964 Stratocaster in his famous performance at the Newport Folk Festival in 1965, during which he was backed by an electric band for the first time.

- Simeon Lipman, Specialist, Popular Culture

Vintage Guitars:

The vintage guitar market represents manufacturers including Gibson, Fender, and Martin. Factors that influence price include how rare the instrument is, modifications such as refinishing and changed pickups, provenance, overall condition, and sonic qualities. Many of these instruments showcase examples of iconic American design that span from Art Deco to Modern. Guitars, like many musical instruments, require a controlled environment of 40 to 50 percent humidity. A guitar that has been kept in an area outside of these parameters might exhibit finish checking, binding delamination, and, in severe cases, top plate and back plate cracks. Such factors can greatly reduce a guitar's value.

In general, the vintage market for Stratocasters continues to fall, which is good for buyers. February 2014 hammer prices at Heritage auction saw many pre-CBS Fender Stratocasters selling well below prior years' prices. Conversely, vintage Gibson Les Paul prices have skyrocketed, especially sunburst colors. In February 2014, hammer prices reached \$200,000, which is an encouraging sign, and presents sellers with a good opportunity to sell at a significant profit. This, in turn, is pushing later vintage Gibson prices higher and has created a significant market for guitar counterfeiters who are also cashing in on the strong market.

-Chris Ullrich, Specialist, Musical Instruments

Wine:

The global market for fine and rare wine continues to evolve. Bordeaux has been and remains the largest part of the market. A key insight for collectors worldwide, though, is that an important shift *within* the Bordeaux market is occurring. Collectors have been wisely shifting their purchases towards older, more mature vintages that can often sell for less than very expensive young vintages. Wine collectors should continue during 2014 to focus on acquiring wines from the early 2000s, 1990s and 1980s as these wines offer far better value – there are many excellent to great vintages from the top chateaux that cost much less than more expensive vintages 2005 and younger. In addition, these wines can be consumed and enjoyed either now or much sooner.

Collectors worldwide are shifting their purchases and collections towards Burgundy, which was underscored in 2013 auction results. Burgundy was responsible for 15% of the bottles we sold during 2013, yet the region generated 35% of auction revenue. Clearly collectors want to own Burgundy, of which far less is made compared to the wines of Bordeaux, and they will pay a premium to own these

wines. One estate, the Domaine de la Romanée-Conti (DRC), remained the most important brand for the entire global wine auction market at the end of 2013.

The top wine regions in the world, beyond Bordeaux and Burgundy, will remain very attractive during 2014 due to macro demographic trends for income worldwide, increasing global wealth and health and the resulting interest in collectible wine. Plus the quality of winemaking and skills in these vineyards has never been higher. The wisest strategy is to focus zealously on buying the best-known, greatest producers from France, Italy and the USA, with Bordeaux and Burgundy accounting for the majority of one's collection.

-John Kapon, Specialist, Fine and Rare Wines

Impressionist and Modern and Contemporary:

The 2014 auctions got off to a strong start with the impressionist and modern art evening sales fetching a combined total of more than \$400 million. Notably in early February 2014 a still life by Juan Gris sold for \$56.7 million and a cityscape by Pissarro sold for \$32 million. The previous record for Gris was set in 2010 for \$28.6 million at Christie's, New York. Staggeringly high prices for art at the top end of the market have made headlines recently, as an expanding class of collectors in emerging markets as well as easy money from the world's central banks have spurred prices to higher levels than ever. However, the once-dominant impressionist market has been eclipsed in recent years by the booming market for post-war and contemporary works, which have seen prices escalate year after year.

The recent November 2013 Post-War and Contemporary auction at Christie's was the highest auction series total in art market history. Francis Bacon's triptych, "Three Studies of Lucian Freud," sold for \$142.4 million becoming the most valuable work of art ever sold at auction. Additionally, Jeff Koons' Balloon Dog sold for \$58.4 million, becoming the most valuable work sold at auction by a living artist. The two-day auction series devoted to Post-War and Contemporary Art achieved a grand total of \$782,368,375. The total value of contemporary art sales has grown from \$850 million to about \$6 billion in nearly a decade. Simply put, the whole contemporary art market has shifted into overdrive. Today, major contemporary art collectors come from all around the world – Brazil, Mexico, South Korea, and beyond. Collectors are continuing to emerge from Russia, China, India, and various Arab Emirates, and so demand in the international art market endures.

Recent popularization of art fairs plays a contributing role with regards to increased global visibility for various artists helping to catapult their work to astronomical levels. Art fairs have exploded everywhere including the Middle East, the Far East, Latin America, and Russia. This phenomenon, in addition to the proliferation of online venues for sales, ensures that any work of art is available to a global audience. The Art Index has more than doubled, surpassing the increase in the indices for equities and bond markets and begging the question of whether the art market's outperformance of equities, stocks, and

bonds is sustainable. Demand in the international art market has been driven by increasing wealth in emerging markets, especially that of the Far East.

Stamp & Coins:

The worldwide stamp market is healthy and strong, with mid-level to rare material leading the way. Collectors from China, India and Russia are driving the market, forcing prices steadily upwards. Even material from the 1930's to the 1970's has been climbing in value, often bringing well in excess of catalog value. An India 1948 10 Rupees Gandhi official stamp sold at a David Feldman auction for \$189,000. And classic rarities are achieving previously unheard of levels. A China 1897 small \$1 on 3c red revenue was hammered down at an InterAsia Hong Kong auction for HK\$6,900,000 (US\$890,000).

Early Great Britain and Commonwealth, France and Colonies, and European offices abroad material are doing very well. There seems to be great interest in proofs, essays, unissued stamps, errors, and other peripheral material. Even Canada is seeing solid growth in its classic period. The United States market is particularly strong in postmaster's provisionals, Pony Express related items, classic inverts and errors, and Confederate States stamps and covers. While there is some weakness in traditional classic material, the truly rare and different items are achieving record prices. One of the famed Hawaii Missionary covers, bearing the 2c and 5c type II stamps in Very Fine condition, was sold at Robert Siegel Auction Galleries for US\$1,950,000.

In the United States coin market, high-quality and rarity reign supreme. The world record for a single coin was achieved in 2013 when Stack's Bowers Galleries sold the finest known example of the United States 1794 Flowing Hair silver dollar for just over \$10,000,000. With the stabilizing of the gold and silver spot prices, collectors are also showing renewed interest in more common coins such as Morgan dollars, Standing Liberty quarters, and Mercury dimes. There is strong competition for scarce and rare items, especially coins from China, Japan, India and Russia. And, of course, there are some amazing realizations for world-class rarities. Heritage Auctions recently sold a Brazil 1822 6400 Reis gold coin for \$499,375, a Mexico 1711 8 Escudos gold coin for \$293,750, and a Canada 1936 George V Dot Cent for \$246,750. Collectors are focusing on high condition grade pieces, pattern coins, and the more obscure seldom-seen items. The usually rather sleepy area of ancient coin collecting has also seen an uptick in activity, especially for Greek and Roman gold.

-Jason Nelson, Specialist, Watches, Coins, Paper Money, Stamps, and Jewelry

APPRAISAL TERMINOLOGY & DEFINITIONS

Fair Market Value: Fair Market Value (FMV) is the price that property would sell for on the open market between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts. If you put a restriction on the use of property you donate, the FMV must reflect that restriction.

This succinct definition is stated in several IRS rules and regulations and publications. However, application of Fair Market Value has been specified and modified by various court decisions. For a complete discussion of these decisions see Art Law: The Guide for Collectors, Investors, Dealers and Artists.

Replacement Value: The amount it would cost to replace an item with one of similar and like quality purchased in the most appropriate marketplace in a limited amount of time.

Comment: Replacement Value is applied, almost exclusively, to insurance policies. Replacement Value is generally the highest valuation figure for personal property.

Liquidation Value: The price realized in a sale situation under forced or limiting conditions and under time constraints. This action may be initiated by the owner or the crediting institution.

Comment: It is implicit in this definition that Liquidation Value will generally be lower than other types of valuation.

Salvage: A valuation term implying abandonment by the rightful owner in which the recoverant may be entitled to a pre-agreed percentage of any net price realized in a future sale.

Comment: Although there have been some exceptions, salvage is generally the lowest type of price realized in a sale situation.

Marketable Cash Value: The value realized, net of expenses, by a willing seller disposing of property in a competitive and open market to a willing buyer, both being reasonably knowledgeable of all the relevant facts and neither being under constraint to buy or sell.

Comment: It is implicit in this definition that the sale takes place within an agreed upon time period, with a specified method of payment, and that the sale will take place in the best available marketplace, and that sufficient time is allowed to advertise properly. Marketable Cash Value is most appropriately applied to equitable distribution situations, when tangible property may be exchanged for cash or other financial arrangements. It should also be noted that several tax attorneys are currently challenging the IRS in the hope that marketable cash value may be substituted for fair market value for the calculation of estate tax liabilities.

Primary and Secondary Markets:

Primary market is one created by either the maker or agent of the maker when an object is sold for the first time.

Secondary market is the venue for sale of an object between a seller and a buyer neither of whom had participated in the creation or initial sale of the object.

Comment: In the instance of multiples, a valid secondary market cannot exist while the maker or his agent retains a supply of the original offering.

Tertiary market occurs in forced sale situations such as liquidation or salvage sales.

Valuation Approaches

Income Approach: Used to determine the value of a work of art or object which will be used to generate future income, most commonly through leasing, rental, or reproduction, but not through a one-time only sale with transfer of title and/or copyright.

Cost Approach: Used to determine the value of a work of an object based upon the cost of duplicating or recreating an identical piece. This approach may be applied to the decorative arts when the methods of construction or materials used are replicable and of significant inherent value. This approach is never applicable to fine arts in which the value of the item being appraised is unaffected by the lack of inherent value of the materials used in its creation (e.g. paint, canvas, paper, etc.)

Comparative Market Data Approach: The most commonly applied approach when appraising personal property, in which appraised value is based upon past prices for similar works by the same artist or artisan, or similar works by another artist or artisan of equal standing and related reputation.

Certified Appraiser: One who has been awarded this designation by a testing, self-regulating organization such as the Appraisers Association of America or the American Society of Appraisers.

Comment: Currently there is no federal or state licensing of personal property appraisers. One may wish to verify that the certifying organization is a non-profit, tax-exempt entity which must conform to federal criteria and regulation.

Certified Appraisal: An appraisal which has been prepared by an appraiser who has been certified by a testing, self-regulated organization, using criteria established by that organization.

Qualified Appraiser: A definition, codified by the IRS, encompassing any appraiser who has not been disqualified by the IRS, who state themselves to be qualified to appraise the property in question.

Qualified Appraisal: According to the IRS, an appraisal which has been prepared by a qualified appraiser in accordance with the specific IRS rules and regulations.

Equitable Distribution: A division of assets in which two or more persons or businesses, each having a share, agree to a method of distribution or rely upon a third party or court to make such decision.

Comment: In certain cases, there may be a pre-existing agreement that determines the method of distribution. It is implicit in this definition that the parameters of value and the valuation method are determined by all concerned parties before the appraisal is begun.

Most Appropriate Market or Marketplace: The venue in which the appraiser determines an object can be sold most easily and at the highest price.

Comment: Frequently in the case of personal property, where comparables are scarce, the most appropriate market can be a combination of auction sales and private gallery sales.

Highest and Best Use: A real estate term which is frequently equivalent synonymous to "Most Appropriate Market."

Related Use Rule: An IRS rule applied to charitable contributions, stating that in order to receive the full allowable tax deduction, a donor must donate property to an institution whose mission explicitly includes the acquisition and use of such property.

Statement of Assumptions and Limiting Conditions: A statement by the appraiser listing the parameters of the appraisal, the responsibilities of the appraiser and the information and procedures for which the appraiser does not assume responsibility.

Comment: The Statement of Assumptions and Limiting Conditions must appear in the Affidavit section of the appraisal and it must be part of the contractual agreement between the appraiser and client.

Letter of Transmittal: A letter addressed to the client accompanying the final appraisal document.

Comment: This letter may or may not restate the following elements which must be contained in the appraisal and in the appraisal contract: purpose of appraisal, date of appraisal and effective date of appraisal, for whom the appraisal is being executed, where and when the property was seen, valuation method and market analyses, number of items appraised, total value, number of pages of the report, statement of disinterest, statement of fee structure, credentials of the appraiser, statement of compliance with a given code of ethics, statement that the appraiser has initialed each page and that it can only be presented in its entirety, statement that the appraisal can be used only by the party for whom it was written and only for the stated purpose and the appraiser's tax identification number. In the instance of a charitable contribution appraisal, the appraiser may include the name of the donee institution in the letter of transmittal.

Comparables: The prices realized for similar and comparable items to those being appraised, which have been sold in the most appropriate market.

Comment: Comparables are provided to substantiate the value arrived at by the appraiser. They are mandatory for most donation appraisals, and may be provided by the appraiser in other situations when the appraiser judges them to be necessary.

Tax Identification Number: The Social Security number of the appraiser preparing the document or the employer's identification number of a corporation supplying an appraisal.

Comment: The tax identification number is required for all donation appraisals and it is recommended for inclusion in all other appraisals.

Blockage Discount: A principle applied to the valuation of large groups of similar and like items which, if sold during a limited period of time, would result in a depression of the prices one might expect if sold separately in an ordinary market cycle. Consequently blockage discount is narrowly defined as the percentage the appraiser would apply to reduce the total valuation to compensate for this situation.

Comment: Blockage discount is normally applied to estate valuations, especially in the cases of artists' estates, when large inventories of single artists must be valued. However, all appraisers should consider the applicability of blockage discounts when valuing large groups of similar and like items.

Long Term Capital Gains: An IRS term applied to the profit resulting from the sale of items owned for more than one year.

Affidavit: A sworn attestation usually given by a witness or expert.

Comment: Appraisers may elect to include an affidavit stating which elements in the appraisal are certified, and listing those which they chose not to include or those for which they assume no responsibility.

Disclaimer: A listing of elements for which the appraiser does not accept responsibility.

Comment: Elements of the disclaimer are normally included in the appraiser's affidavit.

Assumptions and Limiting Conditions of the Appraisal: A listing in the appraisal of those elements included and those elements excluded.

Comment: Assumptions and Limiting Conditions are generally included in the appraiser's affidavit. It is generally appropriate for the appraiser to explain why he or she has chosen to exclude specific elements as part of the description of limiting conditions.

Alternate Valuation Date: A date, usually six months after the date of death, which may in certain circumstances, be elected by the executor to be used as the effective valuation date of assets in the decedent's gross estate for estate tax purposes.

Comment: The use of the alternate valuation date can benefit an estate that holds an asset or assets that decline materially in value during the period that immediately follows the decedent's death.

Appraisal: A document containing a valuation executed for specific purposes following specified guidelines.

Appraiser: The individual who prepares the appraisal.

Depreciation in Value: The decrease in value over time.

Appreciation in Value: An increase in value over time.

Personal Property: All tangible property other than real property.

Real Property: Land and the building attached to the land.

Comment: For a building to be part of real property, the land and the building must share the same title. Otherwise, the building becomes part of personal property.

Actual Cash Value: Generally synonymous with Market Value in which payment is restricted to cash.

Uniform Standards of Professional Appraisal Practice: Procedure and guidelines for correctly prepared appraisals established by the Appraisal Foundation.

Comment: The Appraisal Foundation is an independent organization established by several appraisal associations, which now receives federal funds, and is empowered by Congress to establish standards for all aspects of the appraisal profession.

Appraisal Methodology: The procedures and rules for executing appraisals.

Courtesy of Appraisers Association of America
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FINE JEWELRY: DEFINITIONS OF TERMS

DIAMONDS AND COLORED STONES

Diamond and colored stones are valued based on the following criteria when significant:

CARAT

Carat is the measure of weight, not the size of the stone. It is a small unit of measure equal to 200 milligrams. The word "carat" is derived from "carob", the tree whose seeds became the standard for measuring diamonds. A 1 carat diamond is made up of 100 units called "points". Therefore, a 50 point diamond is a ½ carat or .50 carat. ("Carat" in reference to the weight of a stone should not be confused with "karat" in reference to gold.)

COLOR

Diamonds are assigned a color grade based upon the amount of body color exhibited when compared to a set of Master Color Diamonds which have been color-graded and registered by the GIA Gem Trade Laboratory. In most cases, diamonds are graded using a standardized light source equivalent to daylight.

The color grading scale is as follows:

D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	X	Y	Z	Z+
COLORLESS			NEAR COLORLESS				FAINT YELLOW			VERY LIGHT YELLOW				LIGHT YELLOW					FANCY YELLOW			

CLARITY

Clarity is an indication of a diamond's purity. Clarity is determined by the overall number, size, and location of inclusions (flaws). The U.S. Federal Trade Commission established the jewelry industry's standard for diamond clarity based on 10-power magnification. As such, the appraiser assigns diamonds a clarity grade based upon examination under a 10 x binocular microscope equipped with dark field illumination.

The clarity grading scale is as follows:

FLAWLESS	I.F.	VVS ¹¹	VVS ²	VS ¹	VS ²	SI ¹	SI ²	I ¹	I ²	I ³
	INTERNALLY FLAWLESS	VERY VERY SLIGHTLY INCLUDED		VERY SLIGHTLY INCLUDED		SLIGHTLY INCLUDED		IMPERFECT EYE VISIBLE INCLUSIONS		

CUT

Cut refers both to the shape of a diamond and the precise arrangement of its facets. The most popular cuts are Brilliant (AKA Round), Emerald, Princess, Oval, Pear, Marquise, and Heart.

PEARLS

Pearls are valued based on the following criteria when significant:

SHAPE

Round – well – matched, globular (most valuable)
Half-round – flat bottoms
Baroque – irregular
Fresh water – irregular

BODY COLOR

There are six main body colors found in pearls: white, cream, pink, gold, black, and green. Pearls are also found in blended color variations such as lavender, silver, and gray. Pearls are ideally graded in natural daylight using a white background. If natural light is unavailable, fluorescent light is the next best lighting. Color evaluation of pearls is controversial as a value factor. While color is significant, it is not granted over-importance in the final estimation of value. The evaluation of color is more difficult and rather subjective, as there are subtleties of market preference based on attitudes of specific clients and regional preferences.

LUSTER

Pearls are rated according to the fineness of their luster. Luster is determined by the intensity of the reflection found on the surface of a pearl which results from light striking the surface. Luster is seen on a smooth surface where no ridges are present to reflect the light in many directions. The more mirror like the surface reflection of a pearl, the better the quality. In evaluating pearls, the appraiser assigned a luster rating of very good, good, and fair.

MATCH

Match is an indication of continuity and quality in a strand of pearls. In a well-matched strand, the pearls are similar in shape and give the viewer the overall impression of evenness. A well-matched strand is given a higher value consideration than one of mixed shapes. In evaluating a strand of pearls, the appraiser assigned a matching rating of very good, good, and fair.

BLEMISHES

Blemishes, or spotting, are the wrinkles, cracks, gaps, bumps, or dull spots on the surface skin of pearls. The most important criterion for assessing the value of a pearl is the perfection of the skin, i.e., the lack of blemishes. As such, the appraiser has indicated any apparent blemishes.

TERMS AND LIMITING CONDITIONS

This Appraisal is given subject to these Terms and Conditions, all of which are a part of this Appraisal, unless expressly set aside in writing.

1. Unless otherwise stated herein, this Appraisal is based only on the readily apparent identity of the items appraised, and no further opinion or guarantee of authenticity, genuineness, attribution or authorship is made.
2. Unless otherwise stated herein, the appraised values are based on the whole ownership and possessory interest undiminished by any liens, fractional interest or any other form of encumbrance or alienation.
3. The Appraisal is made at the request of the parties for their sole use. It is not an indication or certificate of title or ownership. The identification of the interest of the requesting party is simply that represented to the Appraiser by such party and no inquiry or investigation has been made, nor is any opinion given as to the truth of such representation.
4. The values expressed herein are based on the Appraiser's best judgment and opinion and are not a representation or warranty that the items will realize those values if offered for sale at auction or otherwise. The values expressed are based on current information and no opinion is hereby expressed as to any future value, or unless otherwise expressly stated, to any past value.
5. Unless expressly stated, the condition of the items is assumed to be good. Functional obsolescence (damage as to render the item unusable for its essential purpose) or Economic obsolescence (lack of demand) of appraised items will only be noted if applicable.
6. In conjunction with this Appraisal, should additional services of the Appraiser be requested by the client, his agent or attorney, or the Court (such as added time researching for other value purposes, pretrial conferences, Court appearances, Court preparations, etc.) compensation for same shall be at the customary hourly rate charged by the Appraiser at that time; and the availability of the Appraiser shall be subject to the Appraiser's schedule and reasonable notice by the client. The client shall pay all such fees upon receipt of a statement.
7. This Appraisal is prepared for the persons named on Page One herein and any use of or reliance on by third parties is prohibited unless authorized in writing by the Appraiser. Notwithstanding the foregoing, Appraiser hereby authorizes the persons named on Page One to disclose the contents hereof to their financiers, agents and representatives only to the extent necessary, provided that such financiers, agents and representatives of the persons named on Page One shall first obtain from any such third parties their agreement in writing as a condition of disclosure that they may not rely on the information or opinions herein and that they hold harmless Appraiser with respect to any such information or opinions.
8. Sales tax, excise tax, delivery costs, commissions, advertising, storage costs, marketing costs and costs or repairs have not been included in this Appraisal unless otherwise stated and should be added when applicable.
9. Compensation for this appraisal is not contingent upon values found.
10. The Appraiser has no present or contemplated future interest in the appraised property, unless otherwise stated.

**KELLY SCHABER, G.G.
JEWELRY AND WATCHES**

WORK EXPERIENCE

Winston Art Group, New York, NY (2014-Present)
Specialist in jewelry and watches

James & Lily Jewelry, New York, NY (2009-Present)
Owner/Jewelry Designer

Classique Creations, New York, NY (2011-2014)
Product Development/Customer Service Manager

Ampi Inc., New York, NY (2010-2011)
Staff Gemologist/Senior Sales Executive
Costco, Seattle, WA (2010)
Gemologist/In charge of Quality Control

SSS/Clothingline.com, New York, NY (2008-2010)
Sales/Customer Service

SDNY, New York, NY (2005-2008)
Senior Sales Executive – Loose Diamonds

Gottlieb & Sons Inc., Cleveland, OH (2001-2005)
Casting Coordinator/Customer Service Manager

EDUCATION

Gemological Institute of America
Graduate Gemologist 2010
Applied Jewelry Professional 2010