GCAL Most Appropriate Markets to Use for Appraisals

	Market 1	Market 2	Market 3A	Market 3B	*Market 4*	Market 5	Market 6A	Market 6B	Market 7
APPRAISAL PURPOSE	Avg. Cash Liquidation Seller's Net New or Used	Avg. Auction Liquidation Seller's Net	Retail Merchant Selling Prev. Owned Jewelry	Avg. Auction Retail Buyer,s Cost	Avg. Whole-Sale New Goods	Low Retail New Merchandise	Retail Replacement New Merchandise	Avg. Retail New Merchandise	High Retail New Merchandise
Insurance Replacement						*	* *	* * * (5 ,6B, 7)	*
Insurance Appraisal By Seller			* * *	* * *			* * * (5 ,6B, 7)		
Insurance Appraisal By Seller	* * *	* *							
Lost Item (Hypothetical for Liability Replacement)			*	* * *					
Lost Item • Cost Basis or FMV (Hypothetical for Income Tax Loss)			* * *	* * *				*	
Divorce (Varies By State Law or Participants)	* * *	* * *	*	* * *					
Investment	* * *	* *							
Damage Report (Hypothetical)					* *		* * *	* * *	
Estate Probate (FMV) (IRS) Federal or State Law	*	*	* * *	* * *					
Charitable Contribution (FMV) (IRS) Federal Law Applies	*	*	* * *	* * *	*	*	*	*	*

For appraisal purposes the Markets most appropriate are designated by the symbols:

* * * **Most Appropriate**   * * **Appropriate (circumstantially)**   * **Acceptable (circumstantially)**   **FMV** = Fair Market Value

MARKETS DEFINED
GEMS & JEWELRY MARKET DESCRIPTIONS

Market 1... Cash Liquidation
represents the subject gems or jewelry being sold to a dealer, wholesales, competitive second hand dealer, jeweler, pawn shop or other significant buyer of second market gems and/or jewelry within one business day, plus normal shipping time, if applicable.

Market 2... Average Auction Liquidation
represents Market 3B (auction retail) less the seller's commission (10-20%) and the buyer's commission (10-20%), both paid to the auction house. The resultant amount is the owner/consignor's net proceeds less insurance and illustrations fees, usually no more than 2 to 3% of the net.

Market 3A... Retail Merchant
selling used or previously owned jewelry. This market requires firsthand knowledge as it is nearly impossible to monitor, due to the vagaries of the buying and selling of estate-type jewelry. When trackable and representative of highest and best use (most common market) this market can be appropriate for "Fair Market Value". The valuation can range from Market 1 through Market 7.

Market 3B... Average Auction
Retail represents the average sales prices realized at major auction (including buyer's commission) meeting the fair market value criteria. This is the "highest and best use" for provable sales of second market fine jewelry. This is also the primary market we look to for "Fair Market Value" described as "Comparable Sales".

Market 4... Average Wholesale
represents the price at which wholesale dealers will sell an item to a retail dealer. Gemological Appraisal Association shows an average range for diamond and gemstone values in **Palmieri's Market Monitor®.**

Market 5... Low Retail
represents what some retail brokers, jewelers, wholesalers selling to the public, and semi-independent appraisers in highly competitive markets will sell gems and jewelry items for (see Market Analysis). Insurance companies routinely buy jewelry to replace lost or stolen jewelry for insureds at this level.

Market 6A... Actual Retail Replacement
represents the most common price charged for the item by the seller/appraiser. This market can range from Market 5 through Market 7. This market cannot be used by a completely independent appraiser who does not engage in buying and selling.

Market 6B... Average Retail represents the standard retail value realized for new merchandise as described in Market Analysis. This mark-up percentage varies according to the cost. Usually the lower the cost, the higher the mark-up percentage - - the higher the cost, the lower the mark-up percentage.

Market 7... High Retail
represents the highest mark-up for some specialty jewelry stores, premier names or those in areas of weak competition. It also is often used by chain operations, certain mass marketers, and stores in high rent areas, i.e. malls, etc. This market can include rare items and items with special manufacturers provenance.

Important - Please Read!! The information included in this brief has been developed with the utmost care and precaution as an appraisal guide. It does not replace you knowledge or responsibility to know and understand local markets, state and federal laws or prudent appraisal practice.

Source: GCAL Market Monitor