

American Gemological Laboratories (AGL) modifies its disclosure wording on heated rubies

12 June 2009: Over the past year, I have been having extended discussions with AGL clients in the wholesale and retail sectors of the trade, as well as industry organizations to evaluate the services of our laboratory. Some of these discussions have led to refinements in our reporting procedures (already implemented) and contributed to the complete redesign of our Prestige report, which was launched this past February during the Tucson Gem & Mineral Show.

With the recent independence and re-privatization of AGL, this process has continued and resulted in the publication of our first official price list. In it, we have refined and simplified our pricing structure to offer highly competitive rates for top-quality gemological reporting. We are also maintaining the innovative and very popular FastTrack services of GemBriefs, our lower cost alternative in a convenient credit card sized format.

Origin report, including ID and Enhancement: All materials

Carat sizes	Foundation Members	Non-Members
Up to 2.99 cts	150 USD	180 USD
3.00 to 9.99 cts	250 USD	300 USD
10 cts and up	350 USD	420 USD

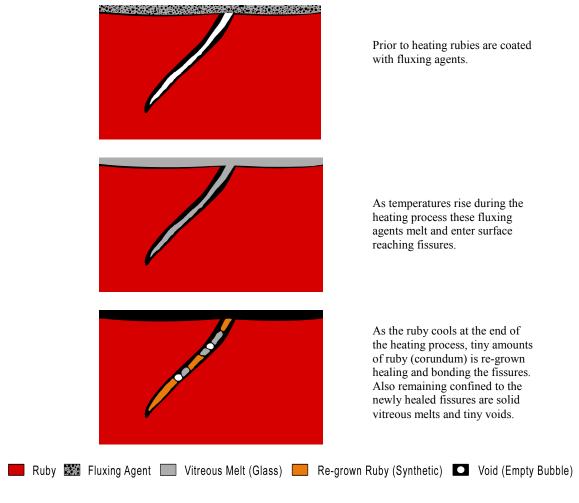
These various discussions have also involved the manner in which we report our findings. Continuing discussions with our clients have helped me gain a better perspective on those reporting policies that are very effective and clearly communicate the proper information to describe a gemstone. However, it has also come to my attention that certain policies have been the cause of greater confusion and therefore are not effectively describing or conveying information. As a result, we have already implemented several changes to our policies on the disclosure for geographic or country of origin determinations, modifying or doing away completely with nomenclature that was confusing or ineffective.

Heated Rubies

Another topic that came to light was the manner or description in which the healing of fissures during the heating process of rubies was being handled. This topic has been a contentious one for more than a decade. As part of the heating process for rubies, it is common practice to coat the stones in a variety of fluxing agents. As the temperature increases, these fluxing agents melt, partially dissolve the ruby's surface and facilitate in the healing of fissures, effectively sealing and reducing the appearance of the fissures and improving the general durability of the stone. AGL has traditionally used the following

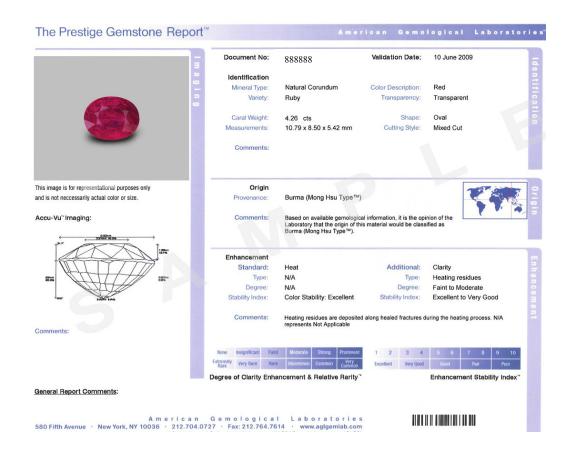
terminology to describe this enhancement: "Clarity: Inorganic (flux-type)", with additional terminology that addressed the relative quantity of material that remained (e.g. faint, moderate, etc.).

In actuality, the use of fluxing agents during the heating process results in a combination of features or materials being deposited and remaining along the newly healed fissures. The previously open fissures are replaced by planes consisting of re-grown ruby (synthetic), solidified vitreous melt (glass) and voids (empty bubbles). The relative amount of these three parts depends on many factors. To better try and communicate the multiple and complex nature of these remaining bi-products, many labs around the world starting using the term "heating residues" with terms describing the relative quantity (such as: minor residues in fissures).



Roughly over the past 10 years, multiple labs have been using the term "heating residues" to describe this combination of re-grown ruby, glass and empty bubbles along the healed fissures. As a result, the industry and users of these reports have come to understand the intended meaning of this term and the relative quantification that accompanies it. Meanwhile, the AGL's use of the term "Clarity enhancement: Inorganic (flux-type)" has not provided any greater clarity of this issue or understanding to wholesalers, retailers and consumers.

As a result, effective immediately AGL is modifying its disclosure terminology used for heated rubies, by exchanging the term "Inorganic (flux-type)" with "Heating residues". As well as including an additional description under the comments section of all Prestige and FastTrack reports, stating: "Heating residues are deposited along healed fractures during the heating process."



We at AGL are committed to providing our clients with the best service and high-quality reporting. As we further refine and improve our services, we will keep you informed. We thank all of you for your patronage, feedback and support.

Sincerely,

Christopher P. Smith, President American Gemological Laboratories LLC