

LETTER TO EDITOR: June 26, 2006

FR: David Benderly, President, PhotoScribe Technologies, Inc.

Why the Diamond Industry Must Rethink Its Identification Policies

Accountability in diamond sales has never been more critical for jewelers. Hard-to-detect diamond treatments, the advent of synthetics, and now the upcoming Hollywood film, "Blood Diamonds," all highlight our industry's vulnerability.

Isn't it time we seriously embrace a viable identification process that will allow the industry to verify, identify and control the various gemstones we sell?

State-of-the-art laser micro marking and engraving systems can provide a solution. Laboratories, manufacturers, wholesalers and retailers now have the ability to easily mark diamonds with unique identifiers, so that retailers can stand behind their products with total confidence.

An inscription provides a unique identifier, or "finger print," that remains with the stone throughout its "life cycle." In addition, it offers:

- Accountability back to the manufacturer, thereby building consumer trust.
- Improves inventory management and enables clean audit
- Provides end-to-end traceability
- Builds brand awareness
- Lowers insurance premiums, because insurance companies can easily track stones
- Aids in correlating a diamond to its grading report

It is critical that a diamond be clearly marked at the point of manufacturing--whether is it cutting or treating a natural diamond or creating a synthetic--and that this indicia be traceable to the supplier or a written record of the stone.

Inscription of rough at the mine is feasible, however, it will take time for the industry to adopt that practice. Consider the positive impact on the issue of "conflict diamonds" had we had a viable tracking system in place six years ago.

Diamonds can no longer be a "blind" item. Each and every stone from 1/5 carat and up must be uniquely identified and marked, so that in a few years if a diamond is unmarked, it should raise questions regarding its origin. Is it synthetic? Has it been treated? Does it benefit honest, hardworking people or potentially help finance terrorist organizations?

If we do not actively push towards this goal of marking all diamonds, the future reputation and integrity of the diamond industry will be at stake.

David Benderly
President, PhotoScribe Technologies, Inc.
35 West 45th Street, 2nd Floor
New York, NY 10036
212-819-1177

#

Press Contact: Lynn Ramsey
212-989-2106
lrusa@earthlink.net