

The Appraisal Process

La Shawn's Personal Methodology

A Detailed Step-by-Step Process

Disclosure & Disclaimer:

Each Professional Appraiser has their own personal distinct methodology and process and/or procedures as to how they tackle and accomplish each appraisal assignment.

My numerical outline along with explanations and my own reasoning as to how and why I do things should only be used as a guideline or a reference point.

However over the years I have adopted these protocols and procedures to help eliminate mistakes and also help eliminate forgetting important information that can easily happen during the rush and heat of the moment.

Think of it as a highly detailed checklist that professional pilots **MUST FOLLOW** before pulling back from the terminal. This eliminates costly and embarrassing mistakes that would of, could of and should have been avoided if certain procedures and protocols were stringently followed.

Professional Standard of Care, **MUST BE** Observed and Followed at all times.

A Professional Appraisal **MUST BE** Detail Oriented. If not then **YOU** are in the wrong profession.

*****SPECIAL NOTE*****

I can do all of the items listed on the following pages on a single item in 40 to 45 minutes total from start to finish and provide my client with the most Comprehensive, In-Depth, Appraisal Report available in the USA to date.

QLSS/PAS allows me to be more professional, proficient and allows me to be more profitable all at the same time.

A Simple Ring with melee side stones and a center stone.

1. Pre-Appraisal Contract
 - A. Fill out all the important and necessary information
Written Estimate of Cost to do work assignment before doing anything
List Client & Sub-Clients full legal names
Addresses and contact information
Type of appraisal
Inventory list of items you are taking possession of
Inventory list of documentation you are taking possession of
Photograph items in a group to show number of items (not detailed photographs)
Sign contract and give client a copy and copy of Take-In Photographs of items
2. Scan all documentation listed above especially
 - a. lab reports, receipts, Invoices, Copy of Diamond and Colored Stone papers and such
3. Make a Digital Client File Folder
 - A. Last Name First Name Year Date 2011 Month 04 Day 07
 - B. Example (Doe John 2011 – 11 – 28)
4. Move Scanned Files into Client's Digital File Folder
5. Sort Items to be appraised into groups and numerical order in which they are going to be appraised and listed within the appraisal report.
 - A. All Rings grouped together, all earrings grouped together so-on and so-forth
 - B. Except for matching Suites!! These should be grouped together
6. The Photographic Process
 - A. Items should be cleaned before photos are taken
 - B. Top View
 - C. Side View
 - D. Profile View
 - E. Bottom or Back View
 - F. Photograph all stamps & markings (Use Macro or use Photomicrographs)
 - G. Clean Major stones again
 - H. AGS/ASET Photomicrograph of All Diamonds over 1/3ct.
 - I. Photomicrograph of each diamond over 1/3ct.
 - J. Snap blank photo to separate each diamond and major colored stone to reduce mix-ups'
 - K. Photomicrographs of Laser Inscriptions
7. Copy ALL Photographs to Client's Digital File
8. Make a Master Digital Photograph File listed by Year as a Master Back-Up Repository of all digital photographs.
 - A. Be aware that some cameras and their filing systems only count up to 10,000
Take precautions not to over write photographs once you reach the filing systems maximum number. Make a Secondary File within Year File so you can store more than 10,000 photographs or whatever your filing system handles.

9. Sort Photos in Client's Digital File to make sure images are acceptable and useful for your reports. If not re-shoot items as needed.
10. Size and Crop Photos and Renumber them if needed and save as a new file so that you save the original photo and once the photo has be sized and cropped it is saves with a special ending number or lettering system to help you assemble your photos for your report.
 - A. Top View 1234-1A
 - B. Side View 1239-1B
 - C. Profile View 1246-1C
 - D. Back or Bottom View 1253-1D
 - E. Stamps & Markings 1258-1E
 - F. Stamps & Markings 1264-1F
 - G. AGS/ASET View
 - H. Photomicrograph of Diamond
 - I. Photomicrograph of Diamond's Laser Inscription

Remember Think Ahead Think Logically

Special Notation

I use QLSS/PAS Jewelry Appraisal Software System and I have designed my own Sections, Components, Pick Lists, and Pick Charts in a Special way so that the software matches my methodology and procedures in numerical order to increase productivity in a logical manner. It also helps me from forgetting something as I use it as my checklist and if I get called away or interrupted I can see exactly where it is I stopped so it also helps eliminate embarrassing mistakes that should have never of happened in the first place.

WEIGHTS & MEASUREMENTS:

11. Weigh Item & record findings, Grams or Penny Weight
12. List Scale Used
13. List Ring Size
14. List Open Back or Closed Back of ring mounting
15. Top of Mounting Measurement, Width x Thickness 5.67mm x 3.47mm
16. Shoulder of Ring Stank Measurement, Width x Thickness
17. Bottom of Ring Shank Measurement, Width X Thickness

Photographic Documentation:

18. Top View, Yes or No
19. Side View, Yes of No
20. Profile View, Yes or No
21. Bottom / Back View, Yes or No
22. Stamps & Markings, Yes or No
23. Laser Inscription, Yes or No

Mounting Attributes:

24. Item's Age / Period
25. Condition of the Item
26. Primary Metal Content & Color
27. Secondary Metal Content & Color
28. Accent Metal Content & Color
29. Major Stone Setting Metal Content & Color
30. Melee Stone Setting Metal Content & Color
31. Metals Tested
32. Manufacturing Technique
33. Quality of Workmanship (Overall)
34. Quality of Major Stone Setting
35. Quality of Melee Stone Setting
36. Shank Profile
37. Shank Outline
38. Finish
39. Accent Finish
40. Enameling
41. Setting Major Stone
42. Setting Melee Stone
43. Noticeable Damage / Repairs
44. Copyrighted / Trademarked
45. Manufacture's Stamp
46. Quality Stamp
47. Designer's Name
48. Manufacture's Name
49. Model Number / Name
50. Inside Ring Engraving
51. Engraving
52. Comments

Melee Stone Attributes: Melee Diamonds and/or Melee Colored Stones

53. Diamond or Colored Stone and Name
54. Shape & Cut
55. Weight & Measurement Smallest
56. Weight & Measurement Largest
57. Number of Stones
58. Total Weight of Stones
59. Weights are – Actual, Calculated, Estimated, Listed by Vendor
60. Cut Grade (Combined Average)
61. Color Grade (Combined Average)
62. Clarity Grade (Combined Average)
63. Proportion (Combined Average)
64. Finish (Combined Average)
65. Comments

Major Stone Attributes

66. Stone Number
67. Nature of Origin
68. Treatment
69. Diamond Type
70. Country of Origin
71. Shape & Cut
72. Branded Cut & Make
73. Length
74. Width
75. Depth
76. Measurements are
77. Weight Adjustment
78. Weight
79. Weight is
80. Scales Used
81. Girdle Surface
82. Girdle Thickness
83. Laser Inscription
84. Culet
85. Symmetry – Major
86. Symmetry – Minor
87. Polish
88. Polish Comments
89. Shape Appeal
90. Length to Width Ratio
91. Proportion Grade
92. Symmetry Grade
93. Cut Grade
94. Cut Grading System Used
95. Fluorescence (lw)
96. Fluorescence (sw)
97. U.V. Light & Grading Environment
98. Color Grade
99. Color Graded By
100. Color Grading Light Environment
101. Body Color
102. Fancy Color Grade
103. Fancy Color Grading System Used
104. Clarity Grade
105. Clarity Grading System Used
106. Diamond Grading Report
107. Digital Proportion Scan
108. Photomicrograph
109. Photomicrograph of Laser Inscription
110. ASG/ASET Photomicrograph

- 111. Brilliant Scope Photomicrograph
- 112. Ideal Scope Photomicrograph
- 113. Hearts & Arrows Photomicrograph
- 114. Gem Print
- 115. Plot Diagram
- 116. Plot
- 117. Grading Performed
- 118. Data Collected
- 119. Comments

Valuation Process

- 120. Identify & Select Market(s) & Market Level(s) to Research
- 121. Cost Approach Method
- 122. Market Data Comparison Approach Method
- 123. Income Approach Method

- 124. List Market(s) & Market Level(s) Placement & Consideration
- 125. Type of Value & Type of Replacement

Worksheets & Work notes

- 126. Save & Scan all Worksheets, Work notes and scribbles transfer to Client's File Folder

Value Conclusion

- 127. Value Conclusion Total with or without tax

Scope of Work Statement

- 128. Write Scope of Work Statement

Appraisal Narrative Statement

- 129. Write Appraisal Narrative Statement

Letter of Transmittal / Executive Summary Report Letter to Client

- 130. Write Letter to Client

- 131. List of Terms, Conditions, Limitations, Assumptions
To match the Appraisal Report & Work Assignment
Be aware, **There is NO "ONE SIZE FITS ALL" Listing** of Terms,
Conditions, Limitations and assumptions, Critical Assumptions
and Critical Limitations.

Build & Assemble Report

132. Build & Assemble Report
133. Insert Cover Sheet or Title Page
134. Insert Letter of Transmittal
135. Insert Table of Contents page
136. Insert Terms, Conditions, Limitations and Assumptions
137. Insert Description of each Item's various attributes
138. Insert Photographs
139. Insert Documents / Lab Reports
140. Insert Certificate of Appraisal Practice / Certification of Appraiser
141. List of Laboratory Equipment
142. C.V. of Appraiser / Professional Qualifications of Appraiser
143. Insert Scope of Work Statement in appropriate place(s)
144. Insert Appraisal Narrative in appropriate place
145. Insert Glossary of Words and Terminology

146. Each Page Numbered with a Combined Total Number of pages listed on each page
Example; (4 of 17) This should be placed in the Header or Footer of each page

147. Uses Headers & Footers as a Security Feature / Measure to list Client's Name and/or
Intended Users and Intended Use of the report.

148. Spell Check / Grammar Check Report

149. Sign & Date all appropriate areas and sections as required

150. Print Report

151. 3-Hole Punch Report
152. Staple Report
153. Insert Report into Report Cover
154. Burn Two (2) CD's of all Photos and copies of lab reports and copy of PDF File
155. Print Client's Name on Catalog Envelope and insert finished report

156. Call Client

157. Post Appraisal De-Briefing with Client. Go over the Appraisal Report with them.

158. Return Item(s) to client and check them off on your Take-In Contract Worksheet
Have Client Sign and Date Contract worksheet stating Picked up items and appraisal

159. Collect Your Professional Fee for YOUR Professional Services just rendered

I have not listed every single thing. This is a simple basic outline or guideline

Join and Become an Accredited / Certified Appraiser through a recognized Appraisal Organization

As you can clearly see there is no possible way to apply this much information on a ONE (1) Page Appraisal Report or even a 3 to 4 Page Report.

This is just a simple sample breakdown as to how I do things.

The TRUE MARK OF A PROFESSIONAL is that they will always go above and beyond what is required of them (***The Minimum Standards***) knowing that they will almost never be singled out as going above and beyond (***The Minimum Standards***).

They do it because, they know it is the right thing to do, no matter if any one notices or not.

I can do all of the above listed things on a single item in 40 to 45 minutes total from start to finish and provide my client with the most Comprehensive, In-Depth, Appraisal Report available in the USA to date.

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Sure I can cut corners and do shortcuts BUT WHY would I want to be like all the rest when I can the very best available.

I market myself and my work product as being Superior and being above all the rest in my area.

The BEST of the BEST.

And People are willing to pay a Premium for having the Best Available.

If people want cheap crappy appraisals I send them on down the road.

I never make excuses for the prices I charge for my Professional Services or the Work Product I provide my clients.

I'm not arrogant, I show them what my work product is and what my prices are and then I show them what my competition has to offer and what they charge and I'm very competitive but clearly a better value when all things are said and done.

I also tell them to look and ask for an Accredited and/or Certified Appraiser. There are only Three (3) within 75 miles of me. The rest are want-a-be Schlocks. I also explain that to them as well.

Why be seen as just another face in a crowd when you can clearly stand out above and beyond the competition in your area.

It is your choice as to how you market yourself and your product.

Just remember with the internet more and more consumers are learning the **REAL TRUTH** about PROFESSIONAL Accredited and Certified Jewelry Appraisers compared to the Schlocks running amok.