



FILED  
IN THE MONTGOMERY COUNTY COMMON PLEAS COURT  
Civil Division  
2008 MAY -1 AM 10:18

STAFFORD JEWELERS, INC., : CASE NO. 2005 CV 07059  
GREGORY A. BRUSH :  
CLERK OF COURTS :  
MONTGOMERY COUNTY, OHIO : Judge Frances E. McGee  
23 :  
v. :  
JOHN M. STAFFORD :  
Defendant. :

LETTER ROGATORY  
(SUBPOENA TO THE GEMOLOGICAL INSTITUTE OF AMERICA)

TO: Clerk of the Superior Court  
County of San Diego  
Vista, California

The above-captioned action is pending in the Common Pleas Court of Montgomery County, Ohio, Case No. 2005 CV 07059. Defendant has requested this Court to issue a Letter Rogatory so that a Rule 30(B)(5) deposition subpoena duces tecum can be issued to The Gemological Institute of America, a company within your jurisdiction.

It is therefore requested, in the furtherance of justice and by the proper and usual process of your Court, that the Gemological Institute of America, c/o its Statutory Agent, Robert Buscher, 5345 Armada Drive, Carlsbad, CA 92008, be ordered to produce documents and appear for deposition at the offices of Sullivan, Hill, Lewin, Rez & Engel, 550 West C. Street, Suite 1500, San Diego, California 92101-3540 on May 27, 2008. A Notice to Take Civ. R. 30(B)(5) Deposition Duces Tecum is attached hereto.

I stand willing to reciprocate in similar circumstances.

SIGNED this 1<sup>st</sup> day of May, 2008, at Dayton, Montgomery County, Ohio.

*Frances E. McGee*  
Judge Frances E. McGee

FILED  
MONTGOMERY COUNTY COMMON PLEAS  
2008 APR 30 PM 4:15

STEPHEN A. BRUSH  
CLERK OF COURTS  
MONTGOMERY CO. OHIO

**IN THE MONTGOMERY COUNTY COMMON PLEAS COURT**  
**Civil Division**

<b>STAFFORD JEWELERS, INC.,</b>	:	<b>CASE NO. 2005 CV 07059</b>
<b>Plaintiff,</b>	:	<b>Judge Frances E. McGee</b>
<b>v.</b>	:	
<b>JOHN M. STAFFORD,</b>	:	<b>NOTICE TO TAKE CIV. R. 30(B)(5)</b>
<b>Defendant.</b>	:	<b>DEPOSITION DUCES TECUM OF</b>
		<b>THE GEMOLOGICAL INSTITUTE</b>
		<b>OF AMERICA</b>

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**To: Gemological Institute of America**  
**c/o Statutory agent**  
**Robert Buscher**  
**5345 Armada Dr.**  
**Carlsbad, CA 92008**

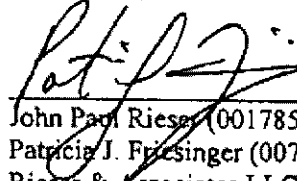
**PLEASE TAKE NOTICE** that, pursuant to Rules 45(A)(1)(b)(i) and 30(B)(5) of the Ohio Rules of Civil Procedure, Defendants John M. Stafford and U.S. Diamond & Gold Jewelers, Inc. d/b/a Stafford Jewelers will take the deposition of Gemological Institute of America ("GIA") through one or more of its partners, managing agents or other persons or representatives who consent to testify on its behalf and are designated by GIA to testify concerning the matters listed on the attached Schedule A. The person(s) so designated shall testify as to matters known or reasonably available to GIA.

The deposition will take place on May 27, 2008 at 9:00 a.m., at the offices of Sullivan, Hill, Lewin, Rez & Engel, 550 West C Street, Suite 1500, San Diego California, 92101, or such

other date and location as the parties shall agree upon, before a notary public or other person authorized by law to administer oaths, on a date and at a time agreed upon by counsel, and may be taken by stenographic or videographic means. The deposition shall continue from day to day until completed or as adjudicated by agreement of the parties and be available to Defendants for any purpose permitted under the Ohio Rules of Civil Procedure and/or the Ohio Rules of Evidence, including, but not limited to, use at trial.

Dated: April 30, 2008.

Respectfully submitted,



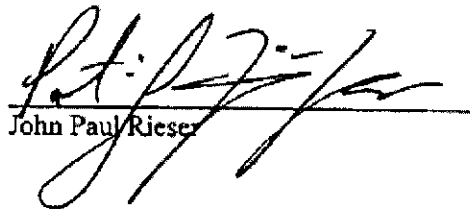
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John Paul Rieser (0017850)  
Patricia J. Friesinger (0072807)  
Rieser & Associates LLC  
7925 Graceland Street  
Dayton, Ohio 45459  
Tel: 937/224-4128 Fax: 937/224-3090  
E-Mail: attyecfdesk@rieserlaw.com  
Counsel for Defendants

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing was served by facsimile and regular U.S. Mail, on this the 30<sup>th</sup> day of April, 2008 on the following:

Charles J. Faruki, Esq.  
Donald E. Burton, Esq.  
500 Courthouse Plaza, S.W.  
10 N. Ludlow Street  
Dayton, Ohio 45402  
Fax: (937) 227-3717

  
John Paul Riese

**SCHEDULE A****DEFINITIONS**

1. **"GIA", "You" or "Your"** refers to Gemological Institute of America, Inc., present or former officers, directors, shareholders, consultants, employees, agents, representatives or counsel, their past and present divisions, subsidiaries, affiliates and corporate parents and all persons and entities acting or purporting to act under their control or on their behalf, including but not limited to, the GIA Gem Trade Laboratory®, a division of the non-profit Gemological Institute of America, Inc.
2. **"Stafford Jewelers"** refers to dba of **U.S. Diamond & Gold Jewelers, Inc.** located at 2008 Miamisburg-Centerville Road, Dayton, Ohio 45459 or 2008 State Route 725 and/or 2555 Miamisburg-Centerville Road, Dayton, Ohio 45459 or 2555 State Route 725.
3. **"Stafford Jewelers, Inc."** refers to an entity located at 1973 West Henderson Road, Columbus, Ohio 43220 and/or 6295 Crittenden Drive, Cincinnati, Ohio 45244 and/or 9573 Montgomery Road, Cincinnati, Ohio 45242 and/or 7649 Mall Road, Florence, Kentucky 41042 and/or 1688 East Kemper Road, Cincinnati, Ohio 45242.
4. **"JKD"** refers to Julius Klein Diamonds, LLC, Julius Klein Diamonds, Inc., JKD West LLC, Julius Klein Group, present or former officers, directors, shareholders, consultants, employees, agents, representatives, including but not limited to, Zuri Mesica, A.D. Klein, and/or Martin "Motty" Klein or counsel, including but not limited to, Warshaw Burstein Cohen Schlesinger & Kuhn, LLP, 555 Fifth Avenue, New York 10017 and/or their past and present subsidiaries, affiliates and corporate parents and all persons and entities acting or purporting to act under their control or on their behalf.
5. **"Documents"** refers to each and every document in writing, as defined in Rule 34 of the Ohio Rules of Civil Procedure, now or formerly, in the actual or constructive possession, custody or control of Defendants whether a copy, draft or original, and wherever located, relating to the instant litigation, including but not limited to the following:
  - A. Correspondence;
  - B. Voice mails, e-mails, voice mail logbooks, voice mail messages and mailgrams;
  - C. Memoranda, inter and intra-office memoranda;
  - D. Diaries, desk calendars, appointment books and telephone log books;
  - E. Notes, notations, note pads, comments, records, summaries, minutes, findings, transcripts;
  - F. Reports, studies, analyses, opinions, investigations, evaluations;
  - G. Work sheets and work papers;

- H. Notices and notifications;
- I. Affidavits and depositions;
- J. Statements;
- K. Interviews;
- L. Books, pamphlets, text, journals, publications;
- M. Newspaper or magazine articles;
- N. Job records, payroll records, time card records, time sheets or payroll checks;
- O. Employment records and human resources files;
- P. Public records;
- Q. Employment standards, manuals, policies or procedures;
- R. Print-outs or other stored information from computers or other information retention or processing systems, including electronic mail;
- S. Photographic matter or sound reproduction matter, however produced, reproduced, or stored;
- T. Company newsletters; quarterly reports; shareholder earning reports; annual reports; business plans or objectives; financial statements, projections or records; cash flow projections; or corporate board of directors or executive committee minute books;
- U. Any other written, printed, typed, taped, recorded or graphic matter, together with any exhibits, attachments or schedules to or with the foregoing, and any copies of duplicates of the foregoing which are different because of marginal or handwritten notations or because of any markings thereon.

6. **"Communications"** refers to any exchange, transmission or recording of information of any kind at any time or place, including writings, electronically stored documents or spreadsheets, e-mail, oral communications, conversations by telephone, meetings and any oral or written contact, and under any circumstances.

7. The term **"person"** includes natural persons, proprietorships, partnerships, firms, corporations, federal, state and local governments, all departments and agencies thereof, and any other governmental agencies, political subdivisions, groups, associations or organizations, whether located in the United States or elsewhere, and any other legal entity of any kind or nature.

8. "Relating to" or "related to" shall mean constituting or evidencing and directly and indirectly mentioning, describing, referring to, pertaining to, being connected with or reflecting upon the stated subject matter.

### **INSTRUCTIONS**

9. All Rule 30(B)(5) topics are to be construed in the broadest possible sense as appropriate under the Ohio Rules of Civil Procedure.

10. All topics cover the time period from January 1, 2004 to the present.

### **DEPOSITION TOPICS AND DOCUMENTS REQUESTED**

1. All Documents or Communications sent by any Person on behalf of GIA to JKD, and/or any person on JKD's behalf, including but not limited to, Zuri Mesica and/or JKD West that relate, refer or pertain to the revocation, rescinding or suspension or closing of any privileges, rights or ability of JKD, Zuri Mesica and/or JKD West to utilize or access GIA, including but not limited to the GIA Laboratory and all divisions thereof, all as set forth in the preceding section of definitions, for any reason including, but not limited to, (1) alleged violation of GIA's Code of Ethics; and/or (2) suspected misconduct, all as set forth in the attached Exhibit 1 dated March 20, 2008 or Exhibit 2 dated March 27, 2008 or Exhibit 3 dated November 15, 2005.
2. All Documents or Communications sent by any Person on behalf of JKD and/or Zuri Mesica and/or JKD West to GIA, that relate, refer or pertain to the revocation, rescinding or suspension or closing of any privileges, rights or ability of JKD and/or Zuri Mesica and/or JKD West to utilize or access GIA, including but not limited to, the GIA Laboratory and all divisions thereof, all as set forth in the preceding section of definitions, for any reason, including but not limited to, (1) alleged violation of GIA's Code of Ethics; and/or (2) suspected misconduct, all as set forth in the attached Exhibit 1 dated March 20, 2008 or Exhibit 2 dated March 27, 2008 or Exhibit 3 dated November 15, 2005.
3. All Documents or any Communications sent by any Person on behalf of GIA to Stafford Jewelers that relate, refer or pertain to any reports or grading of diamonds or precious stones.
4. All Documents or any Communication sent by any Person on behalf of GIA to Stafford Jewelers, Inc. that relate, refer or pertain to any reports or grading of diamonds or precious stones.
5. All Documents or any Communications sent by any Person on behalf of Stafford Jewelers to GIA that relate, refer or pertain to any reports or grading of diamonds or precious stones.

6. All Documents or any Communications sent by any Person on behalf of Stafford Jewelers, Inc. to GIA that relate, refer or pertain to any reports or grading of diamonds or precious stones.
7. GIA's Code of Conduct as it existed in 2005.





## MEMORANDUM

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TO: All GIA Employees

FROM: Donna Baker, president of GIA

DATE: March 20, 2008

As you have probably heard, recent trade columns have impugned the good reputation of GIA. Having looked carefully into this matter, we want to reassure you that no new facts have emerged.

These attacks dwell on the situation that surfaced back in 2005. When the issue first came to the GIA Board of Governors, they immediately commissioned an exhaustive, independent investigation by an outside firm. All of the findings regarding the incidents, companies, and individuals were turned over to law enforcement. This independent team looked into each and every concern raised by employees, clients, vendors, reporters, associations or industry groups. GIA even turned over allegations raised in past and present trade stories to the proper legal authorities.

GIA then reinforced our procedures to help prevent future ethical violations or even the impression of misconduct. As you know, each employee signs a Code of Conduct agreement every year, and employment at GIA is predicated on adhering to this code. We have removed employees who violated the Code of Conduct, and also banned diamond dealers suspected of misconduct. Beyond this, GIA can take no further legal action.

Some pundits want us to make a list of past suspects "public." "Naming names" based on suspicion alone is wrong, and doing so would put GIA at great legal and moral risk. In addition, GIA strictly respects the confidentiality regarding employee matters. This policy has been communicated to industry observers, apparently without success. It is troublesome that old rumors persist despite everything we have done - including being honest and forthright throughout this situation with you, the media and the industry through individual meetings, forums, news interviews, news releases, and the like.

We belong to an organization that was founded on the belief that truth, knowledge and transparency are the deterrents of fraud and misconduct. These values are an indelible part of our culture and cannot be erased by the actions of a few individuals. People who would accuse GIA of participating in a conspiracy against its founding ideals do not understand GIA. They simply do not see the day-to-day honesty, integrity and professionalism with which all our employees operate. And so, it is particularly hurtful to see these unfounded claims reheated in the press.

We cannot control what others write. All we can do is concentrate on the important work we perform, continue working with our customary high degree of quality and integrity, strive to improve each day and focus on achieving our common goal of protecting the public.

Thank you,

Donna

EXHIBIT

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**GIA**  
GEMOLOGICAL INSTITUTE OF AMERICA®

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March 27, 2008

**AN OPEN LETTER TO OUR CLIENTS**

Over the past two years, the GIA laboratory has sent you periodic reports on such lab matters as turnaround time, service enhancements, global expansion, Internet access, and a variety of other updates. Those letters have been part of GIA's commitment to greater transparency and communication with its valued clientele.

Today, we are writing you about the recent appearance of unfounded rumors and innuendos which are circulating within the diamond industry in the USA and elsewhere. Much of the speculation from anonymous sources is focused on the office of the U.S. Attorney which, to date, has not acted on the 2005 - 2006 investigation of alleged bribery of GIA graders. Some of these unnamed sources have accused GIA of somehow blocking the investigation and covering up the violations. The spreading of these rumors, some coming from writers, some from bloggers, and some from pure gossip, leads us to provide you with the following response and assurances:

In the immediate aftermath of a 2005 lawsuit (long ago settled) which alleged the fraudulent grading of two diamonds, GIA management and its Board of Governors were quick to respond, announcing a series of measures aimed directly at the issues raised by that suit.

The centerpiece of these actions was to authorize the law firm of DLA Piper to conduct an exhaustive internal investigation of GIA. A team of six attorneys, led by Thomas O'Neil, a former Assistant U.S. Attorney, was given an unequivocal mandate: investigate the allegations fully and completely with no holds barred, and with a free hand to examine all procedures, all people, and all past and present activities, leaving no stone unturned in the process. The investigators were further mandated to turn over all their findings - unedited - to the Department of Justice.

The team did exactly as mandated. In addition to conducting nearly 150 interviews of more than 80 individuals - both inside and outside of GIA - they examined more than 3,000 grading certificates going back 10 years, paying particular attention to patterns of involvement by grading individuals and supervisory personnel. Over a six-month period the team met repeatedly with Federal law enforcement officials and made over a dozen separate reports of their findings to the FBI and the U.S. Attorney's Office. GIA was adamant that these reports be all-inclusive and that no finding, however minor, was to be omitted or glossed over.

By bringing everything to the U.S. Attorney, the GIA Board did exactly the right thing. GIA is not a law enforcement agency. It cannot subpoena, it cannot arrest, it cannot indict, but it can bring all its findings to an agency that can do all those things... and so it did.

But GIA did not stop there. GIA took many additional steps, including: establishing a state-of-the-art compliance program; no longer accepting endowment fund contributions from lab clients; discontinuing the former "membership" structure; redesigning the grading process, and the associated technology, to help ensure that past violations could not be repeated in the future; terminating the lab employees found to have engaged in misconduct; and closing the accounts of those diamantaires found to have violated our code of conduct.

(Over, please)

The World's Foremost Authority in Gemology™ | Founded by Robert T. Shipley, GIA was established in 1931

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Many have since asked us why no one has been indicted in this case. The simple answer is, "We don't know." Nor do we know whether anyone will be indicted in the future. It is the job of the FBI and the U.S. Attorney to receive information, to investigate, and, at some point, to make a judgment about whether or not to file charges. It is the Department of Justice's policy not to disclose the status of any ongoing investigation, much less reveal their intentions regarding possible indictments. As a result, we have no more insight into what the U.S. Attorney's Office will do than any of you. Which is exactly how it should be: the U.S. Attorney - not GIA - will make the determination as to whether the facts warrant a criminal prosecution. We will learn of their decision at the same time the public does.

Frustrated by the silence from the U.S. Attorney's Office, some have demanded that GIA release the names of those individuals - both inside and outside GIA - who have been found to have engaged in misconduct. Specifically, we have been urged to disclose the names of those lab clients to whom we have sent letters terminating their accounts because of their violations of our code of conduct.

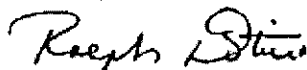
By way of response, please note once again that these names were fully disclosed to the U.S. Attorney's Office early on in the investigation. Legally, we can do no more. For GIA to publicize the names of individuals who GIA believes engaged in misconduct but who have never been formally charged with a crime would leave GIA exposed to a host of charges, including libel.

In summary, lest there be any question of where GIA stands on this issue, please be assured of the following:

1. GIA's investigation reports to Federal law enforcement officials were complete and unedited. Nothing was withheld. Any new findings that might arise now or in the future will also be passed on to the U.S. Attorney. Moreover, GIA would welcome any new information that anyone reading these notes may have that would help in identifying malfeasance.
2. GIA's wish has always been that the government would file charges against the violators. That is why we brought this matter to the attention of the U.S. Attorney in the first place. There has never been a "cover-up."
3. All of the rumored "dealings" which have appeared in print and in various blogs are old anecdotes which have been fully investigated. None are new. GIA today has a zero-tolerance policy which applies both to our staff and to our clients. Should anyone have any new insights in this matter, they are urged to let us know, or, if they prefer, to send same to law enforcement officials.
4. Despite the heated demands by columnists and bloggers that GIA release the names of the violators, the powerful libel laws in this country and elsewhere prevent us from doing so. When and if the U.S. Attorney brings indictments, then the names will be brought forward to the trade and to the public.

Please know that we understand in business, one's reputation for honesty and integrity is paramount. We will do whatever it takes to ensure that you, our clients, are provided with the most honest, ethical, and professional level of service in the industry.

Sincerely,



Ralph Destino  
Chairman



**GIA**  
GEM TRADE LABORATORY®

Thomas M. Moses  
Senior Vice President, GIA Laboratory and Research  
New York Headquarters  
560 Fifth Avenue | New York, NY 10036-4294  
T: 212-271-5858  
F: 212-575-3095

November 15, 2005

Dear Client:

Today, more than ever, GIA must place a premium not only on the quality of our grading expertise and customer service, but also on our values and high ethical standards. We are an organization with a proud history of research, education, and excellence.

In my more than two decades at the Institute, I was fortunate to spend many years working alongside GIA's longtime former president and chairman, Richard Liddicoat, and GIA's vice president, Robert Crowningshield. They modeled GIA's core values of fairness and integrity, of which I heartily agree. As we look to the future, GIA must continue to be driven by those values and ethics.

Over the past several months, our Board of Governors has demonstrated its deep commitment to these core values and standards, and to ensuring that at all times, GIA operates according to best business practices and policies. I look forward to working with the Board and with our President, Bill Boyajian, in my new capacity as head of the GIA Laboratory to achieve these mission-critical activities.

To that end, I would like to take the opportunity to share with you some of the initiatives we are implementing at GIA to make our organization even stronger and better.

#### Our New Compliance Officer

GIA has recently appointed our current head of Human Resources, Linda Scholl, to be GIA's new Compliance Officer. In this capacity, Linda will report to Donna Baker, GIA's Vice President and General Counsel, and will oversee the enforcement of our compliance policies for the Lab. Linda's extensive background in corporate compliance and human resources make her well-qualified for these new responsibilities. As Vice President of Human Resources and Compliance, she will have under her supervision a seasoned professional dedicated to Laboratory compliance matters.

#### Strengthened Professional Ethics and Conduct Compliance Statement

As you may know, for many years, the GIA Laboratory has had in place a comprehensive and mandatory Code of Conduct and Professional Ethics Policy. In collaboration with our outside legal counsel, we have recently bolstered the principles and policies enunciated in that document to include even more stringent standards and requirements and that reflect the most current industry guidelines for professional conduct. For example, employees are now required to inform GIA of Code of Conduct violations that they may witness or of which they become aware. Failure to do so will result in dismissal.

#### Mandatory Ethics Training Seminar for Employees

GIA has also arranged for all employees to take part in a mandatory ethics training seminar in November of this year. Such a session will be conducted annually at GIA, and will highlight the importance of the provisions set forth in the Code of Conduct Policy as well as

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A Division of the Nonprofit Gemological Institute of America

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give additional information on workplace ethics. This year's seminar will be led by Thomas O'Neil, a partner at the law firm of DLA Piper Rudnick Gray Cary, LLP. Mr. O'Neil, as you may recall, conducted the recent investigation of GIA.

#### Employee Prohibition on Accepting Gifts and Gratuities

Among the many policies and practices contained in the Code of Conduct, there is one policy that we point out to our clients every year as the holidays approach. This provision stipulates that all our employees must avoid situations that conflict in any way with GIA's ability to serve our clients in the most professional and unbiased manner. Therefore, no employee may solicit or receive compensation in any form from Lab clients, including cash and/or non-cash gifts or entertainment. There are no exceptions to this rule, and any violations will result in immediate dismissal of the employee. In turn, we request that our clients respect this rule and refrain from attempting to give gifts of any kind to individual employees. Any such violations will trigger immediate removal from our client list.

#### The GIA Hotline

We have recently retained an independent firm called EthicsPoint—a leading provider of services to support compliance, workplace ethics, and corporate governance—to enable our clients, as well as our employees, students, and vendors, to communicate openly and safely with GIA's management and Board. Via a toll-free hotline or the Internet, individuals can report cases of actual or even potential misconduct anonymously and confidentially. The multilingual website, and domestic and international toll-free hotlines, also with multilingual support, will be available 24 hours a day, seven days a week. Beginning November 21, 2005, GIA will have an ethics page on its website which will include contact information and go-live dates for the anonymous reporting system. The GIA EthicsPoint domestic hotline 866-295-2625 (U.S. and Canada) will also be available by the same date.

As you can see, we are moving forward with expediency and great energy. These are just several of the important steps we are taking to ensure that we continue to serve the industry and the public with pride and excellence.

On behalf of the GIA Laboratory and its entire staff, I thank you for your support and confidence. Please feel free to contact me directly should you have any questions or comments related to our services.

Sincerely,



Thomas M. Moses  
Senior Vice President, GIA Laboratory and Research