



**This Notice Answers The Following Questions:**

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**1. WHY SHOULD I READ THIS NOTICE?**

Your rights may be affected by the proposed settlement of class action lawsuits currently pending in the United States District Court for the District of New Jersey (“the Court”). People and business entities in the United States who purchased gem diamonds directly from De Beers and other diamond mining companies from September 20, 1997 to March 31, 2006, or who purchased loose gem diamonds, diamond jewelry or other products containing a gem diamond from a seller other than a mining company from January 1, 1994 to March 31, 2006 are included in Settlement Classes that have been preliminarily approved by the Court. This Notice describes the choices that are available to those people and businesses and tells them what they need to do to protect their rights.

**2. WHAT ARE THE LAWSUITS ABOUT?**

Beginning in 2001, lawsuits were filed in state and federal courts against De Beers and entities associated with De Beers (“the Lawsuits”). De Beers and these entities are sometimes referred to in this Notice as “Defendants” and sometimes as “De Beers.” The Defendants are De Beers S.A., DB Investments, Inc., De Beers Consolidated Mines, Ltd., De Beers A.G., Diamond Trading Company, Ltd., CSO Valuations A.G., Central Selling Organization, Central Holdings, Ltd. and De Beers Centenary A.G. Defendants are the largest supplier of rough diamonds in the world.

The Lawsuits claim that the Defendants unlawfully monopolized the supply of Rough Gem Diamonds, sponsored false and misleading advertising and unlawfully raised the prices of Gem Diamonds higher than they should have been, all of which violated certain federal and state antitrust, consumer protection and unfair competition laws. Defendants deny all of these claims.

**THE COURT HAS NOT RULED ON ANY OF THE CLAIMS OR DEFENSES IN THE LAWSUITS AND THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT ABOUT THE MERITS OF ANY CLAIM OR DEFENSE.**

**3. WHAT ARE THE SPECIFIC LAWSUITS BEING SETTLED?**

The following are the Lawsuits being settled by the Proposed Settlement:

- Sullivan, et al. v. DB Investments, Inc., et al.*, USDC, D.N.J. Civil Action Index No. 04-02819 (SRC);
- Hopkins v. De Beers Centenary A.G., et al.*, San Francisco County, Ca. No. CGC-04-432954;
- Cornwell v. DB Investments, Inc., et al.*, Maricopa Co., Az. No. CV2005-2968;
- Null, et al. v. DB Investments, Inc., et al.*, D.N.J. Civil Action Index No. 05-04849 (SRC);
- Leider, et al. v. Ralfe, et al.*, D.N.J. Civil Action Index No. 06-00908 (SRC);
- Anco Industrial Diamond Corp. v. DB Investments, Inc., et al.*, D.N.J. Civil Action Index No. 01-04463 (SRC); and
- British Diamond Import Company v. Central Holdings Ltd., et al.*, USDC, D.N.J. Civil Action Index No. 04-04098 (SRC).

**4. WHAT IS A CLASS ACTION?**

In a class action, one or more people, the named plaintiffs, sue on behalf of people who have similar claims. All these people are a “Class” and individually they are “Class Members.” In a class action, one court resolves the claims of all Class Members, except for those who choose to exclude themselves from the Class.

## **5. WHO ARE THE MEMBERS OF THE SETTLEMENT CLASSES?**

The Court has decided that there are two Classes, or groups, of gem diamond buyers, whose claims against De Beers are being settled. One of these two Classes is further divided into two Subclasses. The two Classes are the Direct Purchaser Class and the Indirect Purchaser Class. The Indirect Purchaser Class is divided into the Reseller Subclass and the Consumer Subclass. It is possible for a single person or business to be in more than one of these Classes or Subclasses. The Court has defined these Classes and Subclasses as follows:

### **A. Direct Purchaser Class (“Direct Purchasers”):**

All natural persons and legal entities located in the United States who purchased any Gem Diamond directly from a Defendant or Defendants’ Diamond Mining Competitors (including any entity controlled by or affiliated with any such party) from September 20, 1997 to March 31, 2006. The Class excludes any person or entity which is or was a Sightholder for the time period(s) during which such person or entity had Sightholder status.

### **B. Indirect Purchaser Class (“Indirect Purchasers”):**

All natural persons and legal entities located in the United States who purchased any Diamond Product from January 1, 1994 to March 31, 2006, from a person or business entity other than a Defendant (including any entity in which any Defendant has a controlling interest and any affiliate of any Defendant) and other than one of Defendants’ Diamond Mining Competitors (including any entity controlled by or affiliated with any such party).

- 1. Indirect Purchaser Reseller Subclass (“Resellers”):** All persons and entities in the Indirect Purchaser Class who purchased any Diamond Product for resale. For example, Resellers include diamond jewelry manufacturers and retailers, among others.
- 2. Indirect Purchaser Consumer Subclass (“Consumers”):** All persons in the Indirect Purchaser Class who purchased any Diamond Product for use and not for resale. For example, Consumers include people who purchase diamond jewelry to wear or to give as a gift.

Both of the Classes exclude Defendants and their affiliates, the officers, directors or employees of any Defendant, any entity in which any Defendant has a controlling interest, any affiliate of any Defendant, Defendants’ Diamond Mining Competitors, any federal, state or local governmental entity, any judicial officer presiding over this Settlement, and any member of the judicial officer’s family and court staff.

Note that the time period for the Direct Purchaser Class begins September 20, 1997, while the beginning date for the Indirect Purchaser Class is January 1, 1994. The ending date for both classes is March 31, 2006.

The following additional definitions may be helpful to you in understanding the class definitions:

**Located in the United States:** (i) For the Direct Purchaser Class, it means resided in or purchased in the United States during the Direct Purchaser Class Period; (ii) For the Indirect Purchaser Class, it means purchased in the United States during the Indirect Purchaser Class Period and resided in the United States on October 1, 2007; and (iii) For both Settlement Classes, “reside in”: for a natural person means maintained a place of residence; and for an entity means was organized and existed under the laws of any state or territory in the United States or maintained a place of business in the United States. The United States is defined to include the District of Columbia, Puerto Rico and the U.S. Virgin Islands in addition to the 50 states.

**Purchased in the United States:** You are considered to have purchased in the United States if your purchase was delivered to a location within the United States, regardless of whether the seller was located in the United States or abroad.

**Gem Diamond:** This is a diamond of such color, clarity and quality that it has been or could be used in Diamond Jewelry. Some other diamonds are used for industrial purposes, such as cutting materials or for use in lasers. The Lawsuits and the Proposed Settlement are not about industrial diamonds.

**Diamond Product:** A Diamond Product is any Rough Diamond, Polished Diamond, Diamond Jewelry, or any other product consisting of or containing one or more Gem Diamonds. It does not include products containing man-made or industrial diamonds.

**Diamond Jewelry:** Diamond Jewelry is any decorative or functional adornment typically made of metals and containing one or more Gem Diamond. This includes, among other jewelry, diamond rings, earrings, necklaces, bracelets, watches and cufflinks.

**Rough Diamond:** This is a Gem Diamond that is uncut and unpolished.

**Polished Diamond:** This is a Gem Diamond that has been cut and polished.

**Defendants’ Diamond Mining Competitors:** A list of Defendants’ competitors and their affiliates is attached as Appendix A, and includes Alrosa, Rio Tinto, BHP Billiton and Argyle. Effort was made to make the list in Appendix A as complete as possible, but there may be diamond mining companies that are not included. If you have any questions, contact the Claims Administrator.

**Sightholder:** This is a customer entitled to purchase rough diamonds from the Diamond Trading Company at its regularly scheduled Sights.

## **6. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?**

**THIS IS ONLY A SUMMARY OF THE SETTLEMENT TERMS. THE COMPLETE SETTLEMENT IS AVAILABLE ONLINE AT: [www.diamondsclassaction.com](http://www.diamondsclassaction.com).**

“How does the Proposed Settlement benefit the Classes?”

First, the Proposed Settlement prohibits the Defendants from engaging in certain conduct that violates state and federal antitrust laws, and requires the Defendants to submit themselves to the jurisdiction of the court for purposes of enforcing these and other provisions of the Proposed Settlement. This agreement is contained in an order of the Court called an “Injunction.” Specifically, the Injunction prohibits the Defendants from entering into certain agreements with Sightholders and entities engaged in the mining or production of Rough Gem Diamonds to fix prices or restrict supply. The Injunction also prohibits the Defendants from making certain open market purchases in the United States. You can read all of the terms of the Injunction online at [www.diamondsclassaction.com](http://www.diamondsclassaction.com). You can also request a copy to be sent to you by writing the Diamonds Claims Administrator, P.O. Box 9432, Minneapolis, MN 55440-9432, or calling 1-800-760-5431.

Second, Defendants agree to pay a total of \$295 million to the Classes. They will also pay up to \$7 million to provide Notice of the Proposed Settlement to the Indirect Purchaser Class. Of the \$295 million, \$22.5 million has been allocated to the Direct Purchaser Class and \$272.5 million has been allocated to the Indirect Purchaser Class.

A Special Master, retired United States District Judge Alfred M. Wolin, was appointed by the Court to recommend how the \$272.5 million in the Indirect Purchaser Class Fund will be divided between the Reseller and Consumer Subclasses. Judge Wolin’s recommendation to the Court is that the Reseller Subclass Settlement Fund be \$137,067,500 (50.3% of the total) and the Consumer Subclass Settlement Fund be \$135,432,500 (49.7% of the total). The Defendants’ payment has been received and invested and the interest earned minus taxes paid on the interest, will be divided according to the division of the Settlement principal. As explained further in answer to Question 11, Class Counsel intend to apply to the Court for an award of attorneys’ fees of up to 25% of the overall Settlement Fund. They will also ask the Court to reimburse their out-of-pocket expenses and for incentive awards to the named Plaintiffs (those individuals and corporations who initiated the Lawsuits). All awards and reimbursements authorized by the Court will be deducted from the Settlement Funds prior to distribution to the Class and Subclass Members.

In exchange for the Defendants’ agreement to obey the Injunction and their payment of \$295 million, all persons who do not exclude themselves from the Settlement Classes (see Questions 12-15 below) will release the Defendants from any and all past, present and future claims that arise out of or are related to the claims in the Lawsuits. This means that if you stay in the Classes, you can never sue the Defendants again for these claims.

## **7. WHAT ARE THE REASONS FOR THE PROPOSED SETTLEMENT?**

Class Counsel researched and conducted discovery into the claims of the members of the Classes and the defenses to those claims that might be asserted by Defendants. This discovery included:

- review of Defendants’ documents and diamond jewelry industry data and information,
- interviews of Defendants’ employees, and
- consultations with economic experts, who studied Defendants and the diamond industry, and with members of the diamond industry.

Based on this work, Class Counsel and the Class Representatives believe that the Proposed Settlement is fair, reasonable and adequate and in the best interests of the Classes. Class Counsel also considered the risks and expense of continuing the Lawsuits. These include the risk that even if the Classes would win at trial, there are particularly high obstacles to collecting a judgment because the Defendants all operate outside of the United States.

Defendants have denied and continue to deny each of the claims made in the Lawsuits and that they have done anything wrong. Defendants have asserted and continue to assert many defenses, including that the United States Courts do not have jurisdiction over them and that many of the claims in the Lawsuits are time-barred. Defendants decided to settle the Lawsuits to avoid the time and expense of litigation. Defendants have taken into account the uncertainty and risk of the outcome of any litigation, especially in complex cases such as this one.

## **8. HOW MUCH WILL MY PAYMENT BE?**

It is not possible to determine what your payment will be at this time. Your share of the Proposed Settlement will be paid on a *pro rata* basis from the money available in the specific Class or Subclass Settlement Fund to which you make a claim. This means that your recovery will be based on several criteria, including the quantity, purchase price and type of the diamond(s) and/or diamond jewelry you bought and how many Class Members file valid claims.

The rules for dividing the Settlement Funds among the members of the Classes and Subclasses differ from group to group. You can read more about these rules and how the payment amounts will be calculated in Appendix B to this Notice.

To receive any payment, you must file a Claim Form. There are separate claim forms for use by the members of the Direct Purchaser Class, the Indirect Purchaser Reseller Subclass and the Indirect Purchaser Consumer Subclass. See Questions 9 and 21 of this Notice for instructions on

how to obtain the Claim Form.

### **9. HOW CAN I GET A PAYMENT?**

**TO RECEIVE A PAYMENT, YOU MUST COMPLETE AND SUBMIT A CLAIM FORM FOR EACH CLASS OR SUBCLASS IN WHICH YOU ARE A MEMBER.** Claim Forms can be downloaded at [www.diamondsclassaction.com](http://www.diamondsclassaction.com) or obtained:

For the Direct Purchaser Class: By calling 1-800-760-5431, or by writing to

Direct Purchaser Diamonds Claims Administrator  
P.O. Box 24761  
West Palm Beach, FL 33416

For the Indirect Purchaser Class: By calling 1-800-760-5431, or by writing to

Diamonds Claims Administrator  
P.O. Box 9432  
Minneapolis, MN 55440-9432

**THE DEADLINE TO SUBMIT YOUR CLAIM FORM IS MAY 19, 2008. IF YOU SUBMIT YOUR CLAIM FORM BY MAIL, IT MUST BE POSTMARKED ON OR BEFORE MAY 19, 2008.**

**Important Information for Consumers** -- If you are a member of the Consumer Subclass, you are strongly encouraged to submit your claim electronically. To do this, please visit [www.diamondsclassaction.com](http://www.diamondsclassaction.com) and click on the Consumer Claim Form link.

### **10. WHEN WILL I GET MY PAYMENT?**

Payments will be mailed to Class Members after all of the claims are processed, and after the Court grants final approval of the Proposed Settlement and any appeal is resolved. **The Court is scheduled to consider final approval of the Settlement at a hearing on April 14, 2008.**

Status reports will be posted on the Settlement Website, [www.diamondsclassaction.com](http://www.diamondsclassaction.com), to keep you advised of developments and the anticipated distribution schedule. It is likely that distribution of the Settlement proceeds will not occur before the latter half of 2008 or the first half of 2009. This is because all claims must be verified and processed and all discrepancies and other issues must be resolved in order to compute the total amount of approved payment dollars. This number will then be used to calculate your individual *pro rata* share of the Settlement Fund.

### **11. WHO REPRESENTS THE CLASSES AND WHAT ARE THE ASSOCIATED COSTS AND EXPENSES?**

The Court has appointed the following law firms to represent the Class Members: Berman DeValerio Pease Tabacco Burt & Pucillo; Cooper & Kirkham, PC; Glancy Binkow & Goldberg LLP; Korein Tillery, LLC; Lieff Cabraser Heimann & Bernstein, LLP; Law Offices of John A. Maher; Meredith Cohen Greenfogel & Skirnick, PC; Stamell & Schager, LLP; Sommer Barnard Attorneys PC and Zelle Hofmann Voelbel Mason & Gette, LLP. These lawyers are called Class Counsel, and with the assistance of other lawyers in the Lawsuits, have been handling the Lawsuits, in some instances from as far back as 2001, without being paid any fees. They have also advanced the costs and expenses of the Lawsuits.

You do not have to pay Class Counsel. They will ask the Court to pay them a fee for their services and to reimburse them for the out-of-pocket costs and expenses that they advanced. Class Counsel have agreed that they will not ask the Court for an award of attorneys' fees that is more than 25% of the Settlement Fund. They will also ask the Court to reimburse their out-of-pocket costs and expenses, which they do not anticipate will exceed \$5 million. Further, application will be made for a payment to each of the named Plaintiffs (those individuals and corporations who initiated the Lawsuits) based upon their contributions to the litigation. Anco Industrial Diamond Corp. and British Diamond Import Company each intend to apply for an incentive award of up to \$85,000 for serving as Plaintiffs, and American Diamond Tool & Gauge, Inc., a plaintiff in *Anco*, intends to apply for an incentive award of up to \$5,000. Each Reseller Plaintiff will apply for an incentive award of up to \$10,000, and each Consumer Plaintiff will apply for an award of up to \$5,000. All such fees, payments and reimbursements that are awarded by the Court will be paid out of the Settlement Funds. They will not be collected from Class Members.

You may hire your own lawyer. However, you will be personally responsible for that attorney's fees and expenses. You may also represent yourself, provided you are not a corporation.

### **12. WHAT ARE THE RELEASE AND COVENANT NOT TO SUE?**

Every Class Member agrees to the Release and Covenant Not To Sue contained in Section V of the Amended Settlement Agreement. In general, Class Members are agreeing not to sue any Defendant ever again about any past, present or future claims based on or related to the conduct covered by the Lawsuits. This includes any type of cause of action, demand, right, suit and request for equitable, legal and administrative relief of any kind or nature whatsoever arising from or relating to the facts alleged in the Lawsuits. **It includes all conduct up to March 31, 2006 by De Beers concerning the exploration, mining, processing, treatment, sorting, distribution, marketing, advertising, sale or pricing of diamonds.** This includes claims based on:

- existing or past agreements with other diamond suppliers, such as Alrosa, Alexkor, Argyle, Ashton Mining, BHP Billiton, Debswana, Namdeb, and Rio Tinto;
- De Beers' joint ventures and other interests in businesses engaged in the marketing, advertising, sale or pricing of diamonds;
- the Supplier of Choice program and other methods of selling or distributing diamonds; and

- marketing, advertising, and sales programs.

**You can read the full text of the Release and Covenant Not To Sue in Appendix C to this Notice.**

The Release and Covenant Not To Sue will bind you if you do not exclude yourself from the Classes, even if you fail to file a Claim Form. To be eligible to receive a payment from the Proposed Settlement, you must file a Claim Form.

**13. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THE PROPOSED SETTLEMENT?**

No. Excluding yourself tells the Court that you do not want to be a Class Member and you do not want to settle your claims, if any, against the Defendants. Therefore, if you exclude yourself, you **CANNOT** get money from the settlement of the Lawsuits. If you ask to be excluded, your rights will no longer be affected by the Lawsuits, and you should not file a Claim Form or object to the Proposed Settlement. You may, however, be able to sue or be part of a different lawsuit against Defendants in the future based on the same or similar claims that are in the Lawsuits here, at your own expense, subject to available defenses.

**14. IF I DO NOT EXCLUDE MYSELF, CAN I SUE LATER?**

No. Unless you exclude yourself, you give up the right to sue Defendants for the claims made in the Lawsuits and resolved by the Proposed Settlement. You must exclude yourself from the Classes to start your own lawsuit.

**15. HOW CAN I EXCLUDE MYSELF FROM THE PROPOSED SETTLEMENT AND RELEASE?**

**If you want to exclude yourself from the Class, you must do so by sending a written statement labeled “Request for Exclusion” by first class mail POSTMARKED ON OR BEFORE MARCH 4, 2008 to the following address:**

**Diamonds Claims Administrator  
P.O. Box 9432  
Minneapolis, MN 55440-9432**

**The Request for Exclusion must be in writing and clearly state your name and address, as well as all trade names or business names and addresses you have used, and whether you want to be excluded from the Direct or Indirect Purchaser Class (or both). All Requests for Exclusion must be submitted only on your behalf and must be signed by you or an officer of an entity seeking exclusion.**

**If you do not request to be excluded from the Class or Classes you will be bound by any judgment that may be entered in the Lawsuits, whether or not you file a claim for a payment from the Settlement Funds.**

**16. WHAT IF I DO NOT WANT TO EXCLUDE MYSELF, BUT I DO NOT LIKE THE PROPOSED SETTLEMENT?**

You can object to the Proposed Settlement. **In order to have your objection considered by the Court, you MUST submit a written “Objection” POSTMARKED ON OR BEFORE MARCH 4, 2008 and sent to the address set out in the answer to Question 15, above.** Your Objection **must** include: (1) your complete name and full residence or business address (giving the address of your lawyer, if you are represented by counsel, is not sufficient); (2) a statement, signed by you under penalty of perjury, that you purchased Diamond Products in the United States during the Class Period; and (3) a statement of the reasons for your objection and any supporting papers you want the District Court to consider. A mere statement that you object to the Proposed Settlement is not sufficient.

If you object, you may attend the Fairness Hearing, but that is not necessary for your views to be considered by the Court. You may ask to speak at the Fairness Hearing. **If you wish to speak, you should clearly write your “Intention to Appear” on your written “Objection.”**

**17. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?**

Objecting is simply telling the Court that you do not like something about the Proposed Settlement, but you still agree to be bound by any decision that the Court may make to approve the Proposed Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you cannot object to the Proposed Settlement because the Lawsuits and the Proposed Settlement no longer affect your rights.

**18. WHEN AND WHERE WILL THE COURT CONSIDER WHETHER TO APPROVE THE PROPOSED SETTLEMENT?**

**The Fairness Hearing will be held at 10:00 a.m. on April 14, 2008, in Courtroom 8, on the 4<sup>th</sup> Floor of the United States Post Office & Courthouse Bldg., Federal Square, Newark, New Jersey 07101.** At this hearing the Court will consider whether the Proposed Settlement, including the allocation between the Indirect Purchaser Subclasses, is fair, reasonable and adequate and should be given final approval. The Court will also consider Class Counsels’ motion for attorneys’ fees, expenses and incentive awards to the named Plaintiffs. **The hearing may be moved to a different date without additional notice to the Classes, so it is a good idea to check [www.diamondsclassaction.com](http://www.diamondsclassaction.com) regularly for updated information.**

**19. DO I HAVE TO COME TO THE HEARING?**

No, you do not have to attend the Fairness Hearing. Class Counsel will answer any questions the Court may have, but you are welcome to come at your own expense. You may also pay your own lawyer to attend. If you send an Objection to the Proposed Settlement, you may indicate your

Intention to Appear and come and talk about your Objection, but you do not have to come to Court to talk about it. As long as you submit your written Objection on time, the Court will consider it. You must state your "Intention to Appear" in the written Objection if you want to speak at the Fairness Hearing.

**20. WHAT HAPPENS IF I DO NOTHING AT ALL?**

If you do nothing, you will be a part of the Classes, and bound by the Release and all decisions made by the Court regarding the Proposed Settlement. However, unless you file a Claim Form online or postmarked on or before the deadline, you will not be eligible for a payment from the Settlement Funds.

**21. WHERE CAN I GET ADDITIONAL INFORMATION OR OBTAIN A CLAIM FORM?**

You can read the Amended Settlement Agreement and the Injunction, as well as get more detailed information about the claims procedure, by visiting the Settlement Website at [www.diamondsclassaction.com](http://www.diamondsclassaction.com). You can also request paper copies of the Amended Settlement Agreement, the Injunction and other information by calling 1-800-760-5431 or by writing to the Diamonds Claims Administrator at P.O. Box 9432, Minneapolis, MN 55440-9432.

**Consumer Subclass Members can review the instructions for filing and file a Claim Form online at [www.diamondsclassaction.com](http://www.diamondsclassaction.com). All members of the Consumer Subclass who have internet access are strongly urged to submit their claims online.** You can also receive written instructions and a paper Claim Form by calling 1-800-760-5431 or by writing to the Diamonds Claims Administrator at P.O. Box 9432, Minneapolis, MN 55440-9432.

**ALL QUESTIONS CONCERNING THIS NOTICE AND THE AMENDED SETTLEMENT AGREEMENT SHOULD BE DIRECTED TO THE CLAIMS ADMINISTRATOR BY EMAIL AT [administrator@diamondsclassaction.com](mailto:administrator@diamondsclassaction.com), BY CALLING 1-800-760-5431, OR BY WRITING TO THE FOLLOWING ADDRESS:**

**Diamonds Claims Administrator  
P.O. Box 9432  
Minneapolis, MN 55440-9432**

There are files concerning the various cases in the Lawsuits. For more detailed information about these cases, you are referred to the pleadings, orders and other court documents filed in the Lawsuits, which may be inspected at the following locations during regular business hours:

For *Sullivan*, *British Diamond*, *Anco*, *Leider*, and *Null*: Office of the Clerk of the United States District Court for the District of New Jersey, Room 4015, Martin Luther King, Jr. Federal Building and United States Courthouse, 50 Walnut Street, Newark, New Jersey 07102.

For *Hopkins*: Superior Court of the State of California, Office of the Clerk, 400 McAllister Street, San Francisco, California 94102.

For *Cornwell*: Superior Court of the State of Arizona, 101 West Jefferson, Phoenix, Arizona 85003.

Please note that the Court Clerk's offices **DO NOT** have any information about the Proposed Settlement or the claims process. That information must be obtained from the Diamonds Claims Administrator, as noted above.

**QUESTIONS OR COMMENTS SHOULD NOT BE DIRECTED TO THE COURT OR COUNSEL FOR DEFENDANTS.**

Dated: December 28, 2007

BY ORDER OF THE COURT:  
William T. Walsh, Clerk  
United States District Court  
District of New Jersey

**APPENDIX A**  
**De Beers Diamond Mining Competitors**

Aber Diamond Corporation  
Adastra Minerals Inc.  
Afgem Diamonds Ltd.  
African Star Minerals  
Alexkor  
ALROSA  
Angolan Diamond Corporation  
Ashton Mining of Canada, Inc.  
Astro Mining N.L.  
B&E International (Pty) Ltd.  
BHP Billiton Diamonds Inc.  
BHP Billiton Group  
BHP Billiton Plc  
BDI Mining Corp.  
Botswana Government  
BSG Resources Limited  
China Diamond Corp.  
Cluff Resources Pacific N.L.  
Congo Government  
County Diamonds Ltd  
    now Tianshan Goldfields Ltd  
Crown Diamonds NL  
Dalian Wafangdian Diamond Co Ltd  
DIA Met Minerals  
Diagem Inc.  
    (f/k/a Diagem International Resource)  
Diagama Lda  
Diamcor Mining Inc.  
Diamond Fields International Ltd.  
DiamondWorks, Ltd.  
Dwyka Diamonds Ltd.  
Endiama (Empresa de Diamantes de Angola)  
Energem Resources Inc.  
Escom Mining  
Etruscan Resources  
European Diamonds plc  
Firestone Diamonds plc  
First African Diamonds Ltd  
Gem Diamond Mining Company of Africa  
Ghana Consolidated Diamonds Ltd.  
Guinea Government  
Helam Mining Pty. Ltd. (South Africa)  
Hymex Diamond Corporation  
IDAS Resources N.V.  
Investimentos e Participações Empresariais SA (I.P.E.)  
ITM Mining Ltd.  
Kimberley Diamond Company NL  
L.L.D. Diamonds Ltd.  
Lesotho Government  
Letseng Investment Holding S.A. (Pty.) Ltd.  
Leviev Group  
Liaoning Province Local Government  
Lunae Lda  
Magma Diamond Resources  
Majescor Resources Inc.  
Majestic Resources NL  
Malaysia Mining Corporation Berhad  
Mano River Resources  
Meepong Investments  
Messina Diamond Corporation  
Miba  
MineGem Inc.  
Monroe Minerals Inc.  
Mountain Lake Resources  
Mvelaphanda Diamonds (Pty) Ltd  
Namakwa Diamond Company NL  
    now Resource & Investment NL  
Namibian Government  
Namibian Minerals Corporation (Namco)  
Nare Diamonds Ltd  
National Mineral Dev Corp (Indian Govt.)  
New Diamond Corporation  
New Millenium Resources NL  
North Australian Diamonds Ltd.  
Northwest Diamond Company (Pty.) Ltd.  
Ocean Diamond Mining Holdings Ltd.  
Odebrecht Mining Services Inc.  
Pan Asia Mining Corp  
Petra Diamonds Limited  
PT Aneka Tambang  
Redaurum  
Redaurum Ltd.  
Reho Mining (Pty) Ltd  
Rex Diamond Mining Corp.  
Rio Tinto Limited (Australia)  
    (dual listing with Rio Tinto Plc. (U.K.))  
Rio Tinto plc  
RioZim Ltd.  
Sakawe Mining Corp. (SAMICOR)  
SearchGold  
SearchGold Resources Ltd.  
Sedibeng Mining (Pty.) Ltd.  
Sengamines SARL  
    now Entreprise Miniere de Kasa - Oriental SARL (EMIKOR)  
Severalmaz  
Sociedade de Comercializacao de Diamantes de Angola (SODIAM)  
Sociedade Mineira do Angola, Lda.  
Sociedade Mineira do Lucapa (SML)  
SouthernEra Diamonds Inc.  
Star Diamond Mine (Pty.) Ltd. (South Africa)  
Stornoway Diamond Corporation  
Striker Resources NL  
    now North Australian Diamonds Ltd  
Tahera Diamond Corp  
Tianshan Goldfields Limited  
Trans Hex Group  
Trans Hex International Ltd.  
    now Tsodilo Resources  
Trivalence Mining  
Tsodilo Resource Limited  
Uralalmaz  
Vaaldiam Resources Ltd.  
Vannessa Ventures Ltd.  
WakeMin (Pty.) Ltd.  
Waldman Diamond Company (WDC Group)

**APPENDIX B**  
**CLAIMS PROCESSING PROCEDURES**

**A. Direct Purchaser Class**

The Amended Settlement Agreement provides that \$22.5 million (plus interest earned less taxes owed on the interest) will be allocated to the claims of the Direct Purchaser Class before the deduction of attorneys' fees and expenses, costs of administration and any other amounts the Court approves.

After deductions authorized by the Court from the \$22.5 million (plus interest earned) allocated to the Direct Purchaser Class, the net amount will be distributed *pro rata* to Direct Purchaser Class Members filing valid timely Claim Forms based upon their Rough and Polished Diamond purchases from De Beers owned Diamdels, De Beers Polished Diamond Division and De Beers Diamond Mining Competitors. To make a claim, Direct Purchaser Class Members must submit a Direct Purchaser Class Claim Form reporting their purchases from Defendants and Defendants' Diamond Mining Competitors that were delivered to the United States. (The Direct Purchaser Class Claim Form can be obtained from the Claims Administrator and at [www.diamondsclassaction.com](http://www.diamondsclassaction.com).) The claims will be reviewed by the Claims Administrator and claimants may be required to provide appropriate documentation. The Claims Administrator may also revise purchase amounts submitted by claimants after comparing those purchase amounts to sales data provided by Defendants.

As approved by the Claims Administrator, the Rough and Polished Diamond purchases, as verified, will be adjusted by multiplying the total dollar amount of Rough Diamond purchases by 1.22. Direct Purchaser Class Members will be paid a dollar amount calculated by multiplying the net fund by a fraction in which the particular Class Member's adjusted purchases is the numerator and the total of all adjusted purchases is the denominator. The following represents this formula:

$$\begin{array}{l} \text{Direct Class} \\ \text{Member's Payment} \end{array} = \begin{array}{l} \text{Net Settlement Fund } (\$22.5 \text{ Million} + \\ \text{Interest} - \text{Taxes} - \text{Fees} - \text{Incentive Awards} - \\ \text{Expenses}) \end{array} \times \frac{\begin{array}{l} \text{Adjusted Purchases for Each Direct Purchaser Class Member's} \\ \text{Approved Claims} \end{array}}{\begin{array}{l} \text{Aggregate Adjusted Purchases for All Approved Direct} \\ \text{Purchaser Class Claims} \end{array}}$$

**B. Indirect Purchaser Reseller Subclass**

The Net Reseller Subclass Fund (\$137,067,500 + interest – taxes, expenses, fees and incentive awards) will be distributed *pro rata* to Subclass Members filing valid timely Claim Forms ("Claimants") based on their purchases of Rough Diamonds, Polished Diamonds and/or Diamond Jewelry. Reseller Claimants will submit information for two years (either fiscal or calendar) of the Class Period of their choosing. The Claims Administrator will then convert purchases of Rough Diamonds, Polished Diamonds and various types of Diamond Jewelry to a uniform measure based on wholesale values of polished diamonds prevailing during the Class Period.

The Claims Administrator will apply a formula to each Claimant's aggregate dollar purchases of each type of Diamond Product purchased during the Class Period. Since increases in rough diamond prices were not reflected equally in the prices of each Diamond Product, the Claims Administrator will also apply weights to Resellers' purchases to reflect differences in the absorption of an increase in rough diamond prices. The resulting number will be the Claimant's "Recognized Claim Amount" for that Diamond Product. The Claims Administrator will then total the Recognized Claim Amount for each Diamond Product to calculate a Total Recognized Claim Amount for each Claimant. The Total Recognized Claim Amount of Claimants who were not in business during the entire Class Period will be pro-rated to reflect the shorter time during which they were making purchases.

Each Reseller Claimant will receive a *pro rata* payment from the Reseller Settlement Fund based on the ratio of the Claimant's Total Recognized Claim Amount to the sum of all Reseller Claimants' Total Recognized Claim Amounts.

The Claims Administrator will apply the following formulas to calculate a Reseller Claimant's Recognized Claim Amounts:

**Rough Gem Diamonds**

The total dollar amount of a Claimant's purchases of Rough Gem Diamonds, as verified, will be multiplied by 1.22 to calculate the equivalent in a polished wholesale value. This amount will then be multiplied by 0.338, representing the approximate portion of any price increase absorbed by Rough Gem Diamond purchasers. The amount was derived from the Reseller Subclass' economic expert's statistical analysis of absorption weights of Rough Gem Diamond price changes. The adjusted purchase dollar amount will be each Claimant's Recognized Claim Amount for Rough Gem Diamond purchases.

**Polished Gem Diamonds**

The total dollar amount of a Claimant's purchases of Polished (loose) Gem Diamonds, as verified, is already expressed as polished wholesale value. That amount will be multiplied by 0.287, representing the approximate portion of any price increase absorbed by Polished Gem Diamond purchasers in the Reseller Subclass. This amount was similarly calculated by the Resellers' economic expert. The adjusted purchase dollar amount will be each Claimant's Recognized Claim Amount for Polished Gem Diamond purchases.

**Diamond Jewelry**

The Claims Administrator will multiply the total dollar amount of a Claimant's purchases of various categories of Diamond Jewelry, as verified, by the Recognized Claim Percentages shown in the chart below in order to estimate the polished wholesale value of the diamonds contained in each piece of Diamond Jewelry. This chart applies to all types of Diamond Jewelry except diamond watches, pens and other diamond-accented accessories. Jewelry is organized into categories of jewelry containing only diamonds or jewelry with diamonds and other

gemstones (“Mixed Stone Jewelry”). Depending on the type and wholesale price point, a certain percentage of the wholesale price shall be applied by the Claims Administrator to the total annual wholesale dollar prices paid by each Claimant for each category.

The percentages to be applied are as follows:

**RESELLER DIAMOND JEWELRY**

<b>Items Purchased</b>	<b>Purchase Price</b>	<b>Recognized Claim Percentage</b>
Mixed Stone Jewelry	Less than \$100	13.8% of wholesale price
Mixed Stone Jewelry	\$100 or more	30% of wholesale price
Diamond Only Jewelry	Less than \$100	24.7% of wholesale price
Diamond Only Jewelry	\$100 - \$499	57.6% of wholesale price
Diamond Only Jewelry	\$500 - \$4,999	66.1% of wholesale price
Diamond Only Jewelry	\$5,000 or more	90% of wholesale price

The purchase prices adjusted by the Recognized Claim Percentages will then be multiplied by 0.375, representing the approximate portion of any price increase absorbed by Diamond Jewelry purchasers in the Reseller Subclass, as calculated by the Resellers’ economic expert. This amount will be each Reseller Claimant’s Recognized Claim Amount for Diamond Jewelry.

**Diamond-Faced Watches**

Purchases of diamond-faced, non-pavé watches may be claimed by each Claimant providing information showing the wholesale price of the watch and either the number of diamonds contained on the face of the watch or the total carat weight of the diamonds on the watch. A Recognized Claim Amount for the watch will then be calculated. To calculate the Recognized Claim Amount for watches above the wholesale price of \$1,500, the Claims Administrator will first either multiply the total carat weight of the diamonds on the watch by \$522.50, or multiply the number of diamonds on the watch by \$6.57. The resulting number will be multiplied by 0.375, which represents the approximate portion of any price increase absorbed by non-pavé diamond watch purchasers in the Reseller Subclass. This calculation will be the Recognized Claim Amount. For watches with a wholesale purchase price of less than \$1,500, the Recognized Claim Amount will be calculated by (1) multiplying the total carats by \$361.00, or (2) the number of diamonds by \$2.01, and then multiplying the result by 0.375.

Claims for pavé watches will be handled in a similar manner. Pavé watches may be claimed by having the Claimant provide the total carat weight of the diamonds on the watch or the number of diamonds on the watch. The Claims Administrator will calculate the Recognized Claim Amount for each watch by either (1) multiplying the total carats by \$484.50, or (2) multiplying the total number of diamonds by \$3.62, and multiplying the result by 0.375.

**Other Diamond-Accented Products**

For non-jewelry pieces, such as diamond accented pens, a Claimant may supply the wholesale price paid for such piece and the total carat weight of the diamonds in each piece, along with a description including the 4 C’s of the diamond(s). A Recognized Claim Amount will be calculated from this information that will reflect the estimated wholesale value of the diamonds as well as an estimate of the approximate portion of any price increase absorbed by the Claimant.

There was a large dollar volume of Rough Gem Diamonds, Polished Gem Diamonds and Diamond Jewelry purchased indirectly in the United States by the diamond trade during the twelve-year Class Period. Because the distribution to eligible Claimants, once their verified claim amounts have been calculated, will be *pro rata*, each individual payment amount will be computed in proportion to the total of all of the claims being paid. In the event that a substantial number of Reseller Subclass Members (by number or dollar purchase volume) file claims, the actual payout of settlement proceeds to any eligible Claimant will be a small fraction of the dollar volume of the Claimant’s total purchases. The Settlement focuses on alleged illegal activities by Defendants and the resulting overcharge (the difference between the price actually paid and what would have been paid in a competitive market); the overcharge itself is only a small portion of the purchase price paid by Resellers. Claimants may receive a check in a modest amount even though their purchases during the Class Period may have totaled thousands of dollars.

It is possible that some claims will result in payments that are too small to process, because the administrative cost of calculating claims and distributing checks exceeds the check amount. Claimants whose total payment would be \$25 or less will not receive any payment. Class Counsel cannot predict at this stage how many eligible Subclass Members will file claims or the total amount of the purchases in the claims filed. Because each Claimant’s amount will be based on a proportion of all claims filed and verified, there is no way to inform Reseller Subclass Members the portion of the net settlement proceeds they will receive individually. All Reseller Subclass Members are encouraged to submit claims against the Settlement Fund.

**C. Indirect Consumer Subclass**

The Net Consumer Subclass Fund (\$135,432,500 + interest – taxes, expenses, fees and incentive awards) will be distributed *pro rata* to Subclass Members filing valid timely Claim Forms (“Claimants”) based on the Claimants’ purchases of Diamond Jewelry and/or Polished Diamonds. The Claims Administrator will calculate a Recognized Claim Amount for Polished Diamonds and various types of Diamond Jewelry purchased by the Claimant during the Class Period by applying a Recognized Claim Percentage to the purchase price paid by the Claimant. This is being done so that the claims of all Consumer Subclass Members will be paid based on the value of the Polished Diamonds in the jewelry and not on the value of the setting (gold, platinum and precious or semi-precious stones) or the retailer’s mark-up.

The following table will be used by the Claims Administrator for all loose diamonds and diamond jewelry other than watches and diamond accented non-jewelry items:

**CONSUMER DIAMOND PRODUCT TABLE**

<b>Item</b>	<b>Purchase Price</b>	<b>Recognized Claim Percentage</b>
Mixed Stones Jewelry	Less than \$200	6% of the retail price
Mixed Stones Jewelry	\$200 or more	14.5% of the retail price
Diamonds Only Jewelry	Less than \$200	10.5% of the retail price
Diamonds Only Jewelry	\$200 - \$999	27.5% of the retail price
Diamonds Only Jewelry	\$1,000 - \$5,499	32% of the retail price
Diamonds Only Jewelry	\$5,500 - \$9,999	38.5% of the retail price
Diamonds Only Jewelry	\$10,000 or more	45% of the retail price
Loose Diamonds	Any and all	59% of the retail price

Purchases of diamond-faced, non-pavé watches may be claimed by each Claimant providing information showing the purchase price of the watch and either the number of diamonds contained on the face of the watch or the total carat weight of the diamonds on the watch. A Recognized Claim Amount for the watch will then be calculated. To calculate the Recognized Claim Amount for watches priced at \$2,600 or above, the Claims Administrator will either (1) multiply the total carat weight of the diamonds on the watch by \$544.52 and subtract \$24.19, or (2) multiply the number of diamonds on the watch by \$6.57. For watches priced less than \$2,600, the Recognized Claim Amount will be calculated by (1) multiplying the total carats by \$417.73 and subtracting \$4.38, or (2) multiplying the number of diamonds by \$2.01. This calculation will be the Recognized Claim Amount for the watch.

Claims for pavé watches will be handled in a similar manner. Pavé watches may be claimed by having the Claimant provide the total carat weight of the diamonds on the watch or the number of diamonds on the watch. The Claims Administrator will calculate the Recognized Claim Amount for each watch by either (1) multiplying the total carats by \$548.99 and subtracting \$129.45, or (2) multiplying the total number of diamonds by \$3.62.

For non-jewelry items, such as diamond accented cufflinks or pens, a Claimant should supply the retail price paid for such piece and the total carat weight of the diamonds or number of diamonds in each piece. A Recognized Claim Amount will be calculated from this information that will reflect the estimated value of the diamonds as well as an estimate of the approximate portion of any price increase absorbed by the Claimant.

The total of the Recognized Claim Amounts for all approved purchases on a Claim Form will be divided by the total Recognized Claim Amounts for all Consumer Subclass Claimants to determine each individual Claimant's *pro rata* share of the Consumer Subclass Settlement Fund. If the number of persons filing approved claims is so high that an individual Claimant's total share of the Settlement Fund is less than \$10, a check will not be issued for that amount. Instead, recommendations as to the disposition of this amount, along with similar amounts attributable to other claims, will be made by Class Counsel to the Court. As a general guideline, if a Claimant's only purchases consist of Mixed Stones Jewelry with a total purchase price of \$165 or less, or Diamonds Only Jewelry with a total purchase price of \$95 or less, their claims cannot result in a payment amount of \$10.00, regardless of how few Consumer Subclass Members submit claims.

Conversely, if the number of persons filing approved claims is so low that the computation of a Claimant's *pro rata* share of the Settlement Fund would exceed the total Recognized Claim Amounts for all eligible purchases, the Claimant will be limited to the total Recognized Claim Amount of their purchases. For example, if a Consumer Subclass Member claims for one engagement ring that costs \$2,000, for which the Recognized Claim Amount is 32% of the purchase price, that Claimant will not receive more than \$640. Recommendations as to the disposition of any money remaining after all Claimants are paid for the Recognized Claim Amounts of their approved purchases will be made by Class Counsel to the Court after the total amount of such monies is determined.

**APPENDIX C**  
**RELEASE AND COVENANT NOT TO SUE**

Section V of the Amended Settlement Agreement provides for the following Release and Covenant Not To Sue:

- (A) Releases. Upon the Effective Date, the Released Parties shall be released and forever discharged from any and all claims, causes of action, demands, rights, actions, suits and requests for equitable, legal and administrative relief of any kind or nature whatsoever arising from or relating to facts alleged in any of the Class Actions (whether such claims are based on antitrust, unfair competition, consumer protection or fraud or deception, unfair practices, price discrimination, trade regulation, trade practices, unjust enrichment and/or other federal or state law, regulation or common law similar or analogous to any of the above, including without limitation the Sherman Antitrust Act, 15 U.S.C. §§ 1 *et seq.*), whether known or unknown, asserted or unasserted, that any member of the Settlement Classes who has not timely excluded himself, herself or itself from the action, ever had, could have had, now has, or can, shall or may have in the future (the "Claims"), on the basis of or arising from conduct from the beginning of time until the date of settlement class certification, by any of the Released Parties concerning the exploration, mining, processing, treatment, sorting, distribution, marketing, advertising, sale or pricing of any Diamond Product, including, but not limited to: (i) existing or past agreements, contracts or transactions with other diamond mining companies, suppliers, producers, sellers or distributors, including but not limited to agreements with ALROSA, Alexkor, Argyle, Ashton Mining, BHP Billiton, Debswana, Namdeb, Rio Tinto and any Joint Ventures; (ii) existing or past acquisitions of interests in, joint ventures relating to, or other participation in diamond mines, diamond mining companies, suppliers, producers, sellers or distributors or other businesses engaged in the marketing, advertising, sale or pricing of any Diamond Product; (iii) methods of distribution or distribution programs of any Diamond Product (including, but not limited to, the Supplier of Choice Program), including all means of selling or distributing any Diamond Product to any direct or indirect purchasers; (iv) marketing and sales programs relating to any Diamond Product; and (v) advertising programs relating to any Diamond Product. The parties expressly agree that the release applies to Claims arising from certain business practices or conduct in existence on the date of settlement class certification but continuing after such date, namely: (i) the Supplier of Choice Program, so long as there is no material change in the European Commission's approval, no material change in the Supplier of Choice Program or no material change to the United States federal antitrust laws that are applicable to the Supplier of Choice Program; (ii) the ALROSA Agreement, so long as there is no material change in the European Commission's position, no material change in the ALROSA Agreement or no material change to the United States federal antitrust laws that are applicable to the ALROSA Agreement; and (iii) any advertising programs substantially similar to those used during the two years prior to the date of settlement class certification. Nothing in this Settlement shall be interpreted to release unrelated claims, including, but not limited to, for example, a personal injury, product defect or breach of contract claim. Nothing in this Settlement is intended to release any direct purchaser claim of any Sightholder.
- (B) Covenant Not To Sue. Upon the Effective Date, each member of the Settlement Classes covenants and agrees that it shall not hereafter seek to establish liability or assert claims, on behalf of itself or any other person, entity or class, against any of the Released Parties, in whole or in part, for any of the claims described in Paragraph A herein. The Parties agree that this Covenant may be pled as a full and complete defense to any action, suit or other proceeding that may be instituted, prosecuted or attempted with respect to any of the claims described in Paragraph A herein.
- (C) Waiver of Release Limitations. To the extent permitted by law, each member of the Settlement Classes shall also be deemed to have expressly waived, released and forever discharged any and all defenses, provisions, rights and benefits that may be available under:
- (i) Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims in which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor;

and/or,

- (ii) Any law of any state or the District of Columbia, or principle of common law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code (each a "Comparable Law").

With respect to released claims, each member of the Settlement Classes hereby: (i) assumes all risks for claims heretofore and hereafter arising, whether known or unknown, suspected or unsuspected, contingent or noncontingent; (ii) releases and forever discharges such claims as part of the Released Claims; and (iii) expressly and irrevocably waives any rights he, she, or it may have under Section 1542 and any Comparable Law.

Effect of Releases. The Amended Settlement Agreement may be pleaded as a full and complete defense to any action, suit or other proceeding that may be instituted, prosecuted or attempted with respect to any of the Released Claims. The Parties further agree that the Amended Settlement Agreement may be pleaded as necessary for the purpose of enforcing the Amended Settlement Agreement.