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Stafford Jewelers wins 'pink diamond' lawsuit

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More than two years after a valuable pink diamond mysteriously went missing, **Stafford Jewelers** has won a lawsuit worth nearly \$7 million to compensate for the loss.

The judgement was handed down last week by a jury in the United States District Court for the Southern District of Ohio. The jury awarded Miami Township-based Stafford Jewelers at least \$6.9 million in compensatory damages and lawyers' fees because of the loss.

The lawsuit, filed in October 2006 by John Stafford, president of Stafford Jewelers, claimed that a \$1.5 million pink diamond he sent to a potential buyer disappeared. The intended recipient in New York — **Julius Klein Diamonds LLC** — said it never received the 5.56-karat stone.

Julius Klein Diamonds was preparing a response to the decision.

The stone had been sent in February 2006 and sealed in a series of envelopes, bags and boxes. Stafford bought insurance for the stone from **Jewelers Mutual Insurance** through Brink's. The following day, Stafford said he was informed by Julius Klein Diamonds that his package had arrived open and empty.

In his affidavit, Stafford claims he was led to believe that the diamond was reported missing to the FBI and the New York Police Department, but later learned that no reports were filed.

In court documents, Julius Klein Diamonds denied all of Stafford's allegations and said the box was empty when it arrived in New York. Since it never received the diamond, the firm says it never could

have lost or stole it.

According to an investigation by Brink's, the package carrying the diamond arrived unopened and showed no signs of tampering.

The jury found in favor of Stafford, deciding that Julius Klein Diamonds was unjustly enriched by its acquisition of the valuable pink diamond without compensating Stafford Jewelers, that the company wrongfully converted and exercised dominion and control over the pink diamond and that the company was found liable of civil liability for a criminal act (theft).

Lawyer Dianne Marx of Dayton-based law firm of Sebaly Shillito & Dyer represented Stafford Jewelers in the lawsuit.

"The jury sent a strong, strong message that this kind of conduct absolutely will not be tolerated in our society," Marx said in a news release.

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