



## BAUBLES, BEADS, AND BENEFICIARIES: MANAGING ESTATE JEWELRY

---

*Angela Cisneros has been in the jewelry industry for 26 years and is a Graduate Gemologist. She worked as the General Manager at a local jewelry store helping people with their jewelry needs, inventory buying, and HR before she opened the Central Coast's first private jewelry store, Angela Cisneros Jewelry Concierge. Angela does a lot of jewelry re-stylings and engagement rings and brings back the joy and confidence of jewelry shopping!*

*Diane Caldwell-Chesler is a Gemologist, appraiser, and diamond buyer. She worked in the past for various estate trustees in the Los Angeles area, as well as for Farmers and Merchants Bank Trust Department in Long Beach, California. Diane did the estate work for Farmers and Merchants Bank for 13 years before moving to Atascadero.*

---

**§1.4        3. Objects or Dates That May Reactivate Grief**

Certain objects, sometimes with little to no monetary value (such as costume jewelry), can take on a special meaning for the bereaved. Sorting through the decedent's papers and personal effects is often one of the most difficult and longest-delayed tasks. A survivor who is also the personal representative of the estate may take a long time to obtain information necessary for estate administration tasks such as preparing the inventory and appraisal.

Special dates, such as holidays and anniversaries, can trigger painful or bittersweet recollections and thus reactivate an earlier stage of the mourning process. A possible consequence may be the client's inability to provide information or make a decision that is necessary at that stage of administration. The attorney should be prepared for this to occur.

**§10.13        B. Estate Safe Deposit Box**

If the estate includes documents, jewelry, securities, and other important or valuable items, it may be prudent to keep such items in an estate safe deposit box. If the decedent had a safe deposit box and the personal representative maintains one for the estate at the same bank, the representative should have the decedent's box transferred into the estate's name. If the representative intends to open an estate box in another bank, or the decedent did not have one, arrangements must be made to transfer the items to the newly obtained box. If there are negotiable papers such as bearer bonds or other valuable items such as jewelry, it may be advisable to utilize the services of an interbank delivery service.

When the personal representative accesses the decedent's existing safe deposit box for the first time, he/she should request bank personnel to accompany him or her while accessing the box and creating an inventory of the contents of the box. See Prob C §331.

**NOTE:** The personal representative is responsible for inventorying the contents of the decedent's safe deposit box. See chap 13.

**§10.26        2. Appraisals**

If the decedent owned valuable **jewelry**, antiques, collections, or similar property, the representative should be advised to obtain independent appraisals of such things and provide them to the appointed probate referee to assist with their valuations. The appraisals can also substantiate valuations for federal estate tax purposes and/or estate income tax returns.

The propriety of obtaining a private appraisal of the estate's personal property assets will depend on many factors, including the anticipated uses of the appraisal and the cost of obtaining same.

See chap 13 for complete discussion of inventory and appraisal.

**§10.38            b. Specific Uses of Expert Appraiser**

**Jewelry.** If it is likely that there will be a great deal of **jewelry**, or particularly valuable **jewelry**, in a safe-deposit box or at the conservatee's residence, the conservator should consider asking an expert appraiser to be present at the opening of the box or when the conservator takes possession. Sometimes, supposedly valuable **jewelry** turns out to be imitation, and it is far better to have imitations identified immediately rather than after they have been in the conservator's possession for a period of time.

The court ordinarily allows the expense of **jewelry** appraisals, if it is reasonable in relation to the value of the **jewelry**. Modest collections of **jewelry** can usually be appraised by a competent jeweler at their place of business. The appraiser's fee should be determined beforehand. The conservator should always obtain a written appraisal.

**Real estate.** Most courts allow independent real estate appraisers' fees only in unusual circumstances, such as threatened condemnation or very unusual or unique property which may be particularly difficult to value. Because real property forms a considerable proportion of the estates that probate referees value, referees have extensive experience in valuing real property except in unusual circumstances.

**Business interests.** Appraising a going business can be exceedingly complex and an expert appraisal is occasionally necessary.

An independent appraisal that the court considers necessary may be allowed as a charge against the conservatorship estate.

## STEP 21. Evaluate Household and Personal Effects

---

### DETERMINE OWNERSHIP

- a. Determine whether tangible personal property is trust or nontrust property. By virtue of a general assignment or bill of sale, these assets may be held as trust assets.
- b. For nontrust assets, coordinate with the executor to assure that valuation and management issues are addressed. If there is no executor and the tangibles and other assets are less than \$166,250, as periodically adjusted under Prob C §890, use a declaration/affidavit under Prob C §13100. See step 4, above.

**NOTE ►** The estate value limit for the declaration/affidavit is set for adjustment on April 1, 2022, and every 3 years thereafter. Prob C §890. See step 4, above.

### VALUE HOUSEHOLD AND PERSONAL EFFECTS

- a. Retain expert to appraise items of artistic or intrinsic value (e.g., jewelry, furs, silverware, paintings, antiques, books, vases, rugs, coins, or stamp collections) if:
  - (1) The value of one item is over \$3000 or if the value of a collection of items is over \$10,000 (Treas Reg §20.2031-6); or
  - (2) The item is a specific bequest under the will or trust.
- b. If there are large art collections, consider valuation discounts. *Estate of David Smith* (1972) 57 TC 650, aff'd (2d Cir 1975) 510 F2d 479; *Estate of Georgia T. O'Keeffe*, TC Memo 1992-210.
- c. Review riders on homeowner's insurance policy for rough gauge of value, and to identify valuable household items. Insurance records may also contain purchase receipts or recent appraisals.
- d. In general, see Treas Reg §20.2031-6 regarding valuation of tangibles for estate tax purposes.

### ADDRESS MANAGEMENT OF HOUSEHOLD AND PERSONAL EFFECTS

- a. Consider safekeeping, security (e.g., change locks), or storage requirements;
- b. Review adequacy of insurance coverage;
- c. Consider a preliminary distribution to reduce storage and insurance costs and to please the beneficiary;
- d. Consider a garage sale or donation to charity for less valuable items;
- e. Consider videotaping or photographing assets;
- f. Order appraisals as necessary and calendar anticipated completion date;
- g. Review appraisals for sufficiency; and
- h. Send copies of appraisals to trustee.

# California Probate Code

## Section 331

---

### Citing Cases 3

---

- (a) This section applies only to a safe deposit box in a financial institution held by the decedent in the decedent's sole name, or held by the decedent and others where all are deceased. Nothing in this section affects the rights of a surviving coholder.
- (b) A person who has a key to the safe deposit box may, before letters have been issued, obtain access to the safe deposit box only for the purposes specified in this section by providing the financial institution with both of the following:
- (1) Proof of the decedent's death. Proof shall be provided by a certified copy of the decedent's death certificate or by a written statement of death from the coroner, treating physician, or hospital or institution where the decedent died.
  - (2) Reasonable proof of the identity of the person seeking access. Reasonable proof of identity is provided for the purpose of this paragraph if the requirements of **Section 13104** are satisfied.
- (c) The financial institution has no duty to inquire into the truth of any statement, declaration, certificate, affidavit, or document offered as proof of the decedent's death or proof of identity of the person seeking access.

(d) If the person seeking access has satisfied the requirements of subdivision (b), the financial institution shall do all of the following:

- (1) Keep a record of the identity of the person.
- (2) Permit the person to open the safe deposit box under the supervision of an officer or employee of the financial institution, and to make an inventory of its contents.
- (3) Make a photocopy of all wills and trust instruments removed from the safe deposit box, and keep the photocopy in the safe deposit box until the contents of the box are removed by the personal representative of the estate or other legally authorized person. The financial institution may charge the person given access a reasonable fee for photocopying.
- (4) Permit the person given access to remove instructions for the disposition of the decedent's remains, and, after a photocopy is made, to remove the wills and trust instruments.

(e) The person given access shall deliver all wills found in the safe deposit box to the clerk of the superior court and deliver a copy pursuant to **Section 1215** to the person named in the will as executor or beneficiary as provided in **Section 8200**.

(f) Except as provided in subdivision (d), the person given access shall not remove any of the contents of the decedent's safe deposit box.

*Amended by Stats. 2017, Ch. 319, Sec. 6. (AB 976) Effective January 1, 2018.*



## YOUR MONEY

## *Selling Jewelry Is Mostly Pitfalls, Not Much Glitter*

By Caitlin Kelly

Nov. 24, 2007

IT may be a cameo handed down from your grandmother or your father's 1940s Hamilton watch or a ring you bought years ago that you no longer wear and now want to sell. While buying jewelry, whether at department or specialty stores, craft fairs or on eBay, is quick and easy, selling it is often slow, difficult and confusing.

"In general, people's expectations of what their jewelry is worth are higher than they are aware of" in relation to its true value, warned Cheryl Woodland, a certified gemologist and appraiser in Golden, Colo., who has 15 years experience. The market price for a piece of jewelry, she said, is "what a willing buyer is going to pay; there is no Blue Book for selling a piece of jewelry."

Many factors affect an object's current market value, from fashion trends to provenance — a piece's previous owners, the experts say. A piece owned by someone famous, or with a historical association, may have much greater value than an equal piece with no such back story.

"It is difficult to sell your jewelry," said Christopher Del Gatto, a founder and chief executive of Circa, a six-year-old concern with stores in Manhattan, Palm Beach, Chicago, San Francisco, Washington, and Hong Kong, that sells only preowned, or estate, jewelry.

"You don't think about selling your jewelry until you have to do it, and it's tough to find a liquid market for a high-end item," he said. His firm will write a check on the spot, whether the item is a 75-point diamond or a seven-carat, and it completes a deal with more than 80 percent of clients who approach it, he said. Circa also offers a price in writing, allowing sellers to compare offers from other outlets for a few weeks before making a decision. Sellers from around the world mail their jewelry to the firm or e-mail images.

Both Mr. Del Gatto and Ms. Woodland caution would-be sellers against irrational exuberance when hearing an appraised value of a piece, reminding them that its sales value will be much less. “This business is fraught with misnomers,” Mr. Del Gatto said. The appraised value, he adds, is “the retail value for insurance purposes.”

Gary Shuler, director of the jewelry department at Sotheby's in New York, agreed that most people don't understand the difference between the real price and the appraised value. “We might get half to one-third to even one-quarter of what you've had the item appraised for,” he said. “Everyone has an inflated idea of the value of their possessions.”

Sotheby's sells jewelry that has a minimum value of \$5,000, and adds a negotiated seller's premium, which is a percentage of the sale price. A buyer's premium also applies, adding an additional amount up to 25 percent of the price. But just because a piece is valuable monetarily may not mean there is an eager buyer for it, Mr. Shuler said.

“I send people elsewhere all the time,” he said. “The key is, Are we doing you a service? Are we the best people to sell it for you? We don't make a market. We reflect markets. And we don't want the piece back. We want it sold.”



Gary Shuler is director of the jewelry department at Sotheby's in New York City.  
Sotheby's

Rahul Kadakia, senior vice president and head of jewelry in New York for Christie's, said: “There is no rule as to the minimum value for the inclusion of a lot in an auction. We also include exquisite examples of vintage jewels and also items with special provenance which may not necessarily hold the highest estimates in the catalogue.”

“Every now and then, we also see jewels and stones that could well be worth a lot of money but if the style is not suited for a certain market or geographic region, it may be difficult to sell,” Mr. Kadakia said.

Occasionally, he said, “we see items that are really not suited for the sales that we put together and we refer clients to local auction houses or even dealers who might handle these jewels. If something is very suited for the European, Asian or Middle Eastern markets, we would suggest the inclusion of these jewels at our sale centers in Geneva, London, Paris, Amsterdam, Milan, Hong Kong or Dubai.”

Gloria Lieberman, director of the jewelry department at Skinner Inc., an auction firm based in Boston with a second sales room in Bolton, Mass., said her firm is one of the few relatively inclusive auction houses.

With two quite different sales rooms and two different audiences, “we make the decision where it should sell,” she said. “I have things for \$300 or \$500 that are still sophisticated, maybe out of silver or ivory with a certain design quality. Our consignments come from everywhere.”

Just as styles and tastes change, so do the underlying value of stones and metals. “Gold right now is twice the value of 10 years ago,” Ms. Woodland said. Sometimes, a piece can be sold simply for its scrap value.

Impatience will literally cost the seller dearly because the faster the seller needs the money, the lower the price that will be offered, as low as 50 percent of wholesale, she added.

The experts all agreed that before someone even considers selling a piece of jewelry, whether for scrap, at auction or to a local retailer, that person should do research and try to determine its current value. A trained professional certified by the American Society of Appraisers can help.

Kristine Seen, an administrative assistant in Fort Collins, Colo., has learned how tough it can be to sell even 18-karat jewelry studded with diamonds. Her collection, an appraiser told her, could fetch \$4,500, a sum she needed to pay the legal fees after her recent divorce. When a local jeweler offered her \$800 for all of it, “I laughed at him,” she said. Listing her objects on Craigslist brought a raft of clearly fraudulent buyers.

“This was very much a discouraging experience,” she said.

One other option is consigning the piece with Portero, a three-year-old New York-based online auction firm devoted to luxury objects, including jewelry. The company has completed more than 60,000 auctions. While it sells major names like Harry Winston and Van Cleef & Arpels, it also sells merchandise for as little as \$200 or \$300.