

NOTICE OF PUBLIC SALE OF INVENTORY

PLEASE TAKE NOTICE that, pursuant to [the terms of a certain](#) First Amended Plan of Liquidation of the Debtor and corresponding First Amended Liquidating Trust Agreement, each dated March 4, 2008 and approved by Order entered on June 13, 2008 by the United States Bankruptcy Court for the Southern District of New York in the matter *In re: Alison Gem Corp.*, Chapter 11 Case No. 05-10404 (JMP), Donald A. Palmieri was appointed as the Liquidating Trustee (the “Trustee”) of the Alison Gem Corp. Liquidating Trust (the “Trust”); and

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the terms of the above-referenced documents, the Trustee will offer for sale to the public all of the right, title and interest of [the Trust](#) in and to all of its diamond and other jewelry inventory, including finished goods and work-in-process ([collectively, the “Inventory”](#)), on an “as is, where is” [basis](#), on the following terms and conditions.

DESCRIPTION OF THE SALE PROCESS

Inspection of Inventory

The Inventory will be made available for inspection only after scheduling an appointment with the Trustee during normal business hours, Monday through Friday, at the Trustee’s office located at 580 Fifth Avenue, LL-05, New York, NY 10036 from Tuesday September 8, 2009 through Tuesday, September 15, 2009 until 3:00 pm. The Inventory will be made available for inspection to (a) authorized representatives of retail jewelers, wholesale jewelers, diamantaires, and manufacturers who are listed in the Jewelers Board of Trade, or (b) members of the public whom the Trustee, determines in his sole discretion, to have (y) passed an appropriate background check for security purposes and (z) sufficient familiarity with this type of Inventory and the financial ability to submit a “Qualified Bid” under the terms of this auction process.

Submitting a Qualified Bid

All bidding will be live (fax and email bids must arrive by 9/15/09 by 5:00 PM EST.) and only “Qualified Bids” (as defined below) will be considered. In order to submit a Qualified Bid, as hereinafter described, the “Bid & Registration Form” must be delivered to the Trustee or the Trustee’s agents, so as to actually be received by no later than 5:00 pm EST on September 15, 2009 (the “Registration Deadline”). Further, a Qualified Bid must meet or exceed the applicable “Minimum Bid Amount” (as discussed below) for the portion of the Inventory that is being bid upon, must be in writing or live, must disclose the identity of the bidder (and if it is from an entity it must be signed by an authorized representative of such entity), must be in U.S. dollars, must not be subject to any due diligence, financing contingency or other closing conditions of any kind, must identify the Inventory, or sub-group thereof, upon which the bid is made.

Minimum Bid Amounts	The Minimum Bid Amount for each lot is stated as the reserve price. The Inventory also is being offered for sale in sub-groups based on the jewelry, diamond, and gemstone type and other criteria as more particularly described and illustrated on the Trustee's website (www.gemtips.com). The Minimum Bid Amounts for each of these sub-groups are listed on the Trustee's website. The Trustee will select the winning bid(s) based on the highest and best Qualified Bids received and whether the aggregate of such bids for the sub-groups exceed the highest and best Qualified Bid, if any, made for the entire Inventory.
Date and Time of Auction	September 16, 2009 at 10:00 AM (Eastern Standard Time)
Location of Auction	Penthouse (34 th Floor) World Diamond Tower 580 Fifth Avenue New York, NY 10036 212-869-9792
Auction Process	As noted above, all bidding must be live or fax/email and only Qualified Bids received before the Bid Deadline (i.e. Tuesday, 5:00 pm EST, September 15, 2009) will be considered at the Auction. The Trustee, then will declare on the record the winning bid(s) made for the Inventory or, if applicable, the sub-groups thereof. As applicable, the Trustee also will identify the next highest Qualified Bid(s) as a back-up to the winning bid(s) and should the party making any such winning bid fail to close on the terms set forth below, the back-up bidder(s) will be given an opportunity to close instead.

OTHER TERMS AND CONDITIONS OF SALE PROCESS

1. The purchase price for the winning bid(s) made for the Inventory shall be due and payable to the Trustee within twenty-four (24) hours of the conclusion of the Auction via cash, cashier's check, certified check, wire transfer, credit card and transaction fee, or in such other manner as is deemed acceptable to the Trustee.
2. Upon infeasible payment in full of the entire purchase price required to be made by the successful bidder, the Trustee will cause to be delivered to the successful bidder a Secured Party Bill of Sale for all the Inventory as such successful bidder may have bid upon. If the successful bidder defaults on payment without further notice may sell any remaining Inventory either (a) to the next highest bidder as identified at the Auction to have submitted a Qualified Bid for such remaining Inventory; or (b) to the Banks or their designee to the extent the Banks, in their sole discretion, elect to make, either directly or through one or more affiliated entities, a credit bid in an amount equal to the Minimum Bid Amount required for any such remaining Inventory.

3. Further, the Trustee reserves the right to cancel, postpone or adjourn the Auction by announcement made at the initial date for this Auction or the date of any subsequently adjourned auction, without written notice or further publication. The Auction may be resumed, without further notice or publication, at the time and place at which such notice of adjournment of the Auction may have been given.
4. The entire Inventory is being sold and assigned on an "AS IS WHERE IS" basis, without recourse, warranty or guaranty, whether express or implied. Neither the Trustee nor his representatives make any representations or warranties as to the Inventory and the Auction specifically is subject to all taxes. Without limiting the generality of the foregoing, the Trustee and his representatives expressly disclaim all representations or warranties with respect to the Inventory, including without limitation, those relating to the completeness or accuracy any description of the Inventory.
5. All inquiries regarding this notice should be directed to:

Attention: Donald A. Palmieri
Gemological Appraisal Association, Inc.
580 Fifth Avenue, Lower Lobby 05
New York, NY 10036
Phone No. 212-869-9792
Facsimile No. 212-869-2315
Email at awp@gemfacts.com