

# Zion Importing & Manufacturing

August 8, 2018

Ofer Mizrahi  
President and CEO  
Ofer Mizrahi Diamonds Ltd.  
Diamond Exchange – Yahalom Building  
21\*Floor, Suite 61-65  
21 Tuval Street  
Ramat-Gan, 52520  
Israel

Ofer Mizrahi  
President and CEO  
Ofer Mizrahi Diamonds, Inc.  
29 East Madison Street #1116  
Chicago, IL 60602

**Re: Retraction of Statements Made in the Complaints and Press Release dated  
01/31/2018**

Dear Mr. Mizrahi:

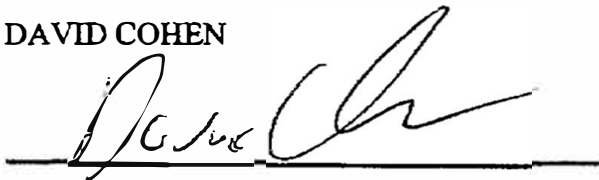
We retract the statements/allegations we made in the Complaints filed by David Cohen and Z.I.M Inc. d/b/a Zion Importing & Manufacturing ("Zion") against Ofer Mizrahi Diamonds Ltd. and Ofer Mizrahi Diamonds, Inc. (collectively "Ofer Mizrahi") in the Circuit Court of Cook County, Case No. 18 L 000985, ("Lawsuit") and in the press release and other statements we issued about the Lawsuit. We regret and apologize for bringing the Lawsuit which we filed based on advice of counsel but now realize there were more constructive ways to resolve the parties' issues.

We have seen affidavits and supporting business records demonstrating that (1) Ofer Mizrahi Diamonds, Inc. and Ofer Mizrahi Ltd. (collectively "Ofer Mizrahi") did not intentionally sell to Zion on consignment a diamond that the Gemological Institute of America ("GIA") concluded, contrary to the original EGL report, had been internally laser drilled; (2) upon learning that the diamond had been reported as having been internally laser drilled, Ofer Mizrahi accepted return of the diamond and assisted in providing the consumer with a full refund; and (3) Ofer Mizrahi then resold the diamond at a loss disclosing that it had been internally laser drilled and providing the wholesale customer with the GIA report.

We therefore retract and no longer stand by the statements/allegations we made in the Complaints filed in the Lawsuit and in the press release and other statements we issued about the Lawsuit.

Sincerely yours,

DAVID COHEN



Z.I.M. INC. d/b/a ZION IMPORTING &  
MANUFACTURING

