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Trial Begins ove

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One of the claimants in a three-way court battle for the Bahia emerald testified today that he first saw the 840-pound crystalline cluster in a carport in Brazil, protected by high fencing and security cameras."It was a beautiful stone," Anthony Thomas told Los Angeles Superior

Court Judge Michael Johnson. "I was taken aback because all of the crystals were bigger than your fist and were jutting out at all different angles.

Johnson is hearing a nonjury retrial concerning the ownership claim by Thomas, who says he paid \$60,000 for the gem that has been appraised as high as \$372 million. But Thomas never received the gem and says that for years he believed it had been stolen.

Also vying for the emerald are members of Ferrara Morrison Holdings and gem buyer Mark Downie. Both parties, whose rights will be determined in a separate trial, say Thomas' claims to the gem are not believable.

According to Thomas, a contractor by trade with a background in directional drilling, said he was introduced to a group of Brazilian miners about 12 years ago by a miner, Kenneth Conetto.

The Brazilians were interested in selling emeralds that they could not sell elsewhere because of the blood diamond scandal, Thomas said."They thought this market might be better over here," Thomas said.

The Brazilians brought the emeralds they wished to sell with them to the United States, Thomas testified."They had lots of them," he said. "They carried them around in a satchel."

Thomas said he eventually went to Sao Paolo and bought a series of smaller emerald-laden artifacts as well as a 23-kilogram gem the Brazilian miners told him was the largest that existed. He said he paid \$6,000 for the

smaller items and \$20,000 for the 23-kilogram cluster. After the 23-kilogram stone was delivered to his hotel, the Brazilians made a proposition, Thomas said.

"They told me they had an even larger emerald that they'd like me to see," Thomas said. "My first thought was maybe I had been duped. They told me they sold me the largest emerald in the world and now they were telling me they had an even larger one. They asked me if I wanted to see it and I said, `Sure."

The emerald was shown to Thomas in the carport of a home where a cousin of one of the miners lived, he said.

Thomas said he paid \$60,000 in full for the Bahia emerald, but Conetto later told him it had been stolen. He said he did not know until September 2008 that it had not been stolen.

The Bahia cluster contains about 180,000 carats of emerald and is about three feet tall and 2 1/2 feet wide, according to attorney Browne Greene, who represents FM Holdings.

The case was first filed in January 2009 and Thomas filed his court papers as a claimant to the emerald three months later. In April 2011, former

Los Angeles Superior Court Judge John Kronstadt concluded in a 48-page decision -- written after a six-day non-jury trial -- that Thomas' claim of ownership of the Bahia emerald was not credible.

After the ruling, Kronstadt was sworn in as a federal district judge and was replaced by Johnson. Wishing to hear the case himself and make an independent ruling, Johnson declared a mistrial and set the stage for a second non-jury trial.

FM Holdings -- comprised of Kit Morrison, Todd Armstrong and Jerry Ferrara -- say they paid for a shipment of diamonds and took the emerald as collateral in case the diamonds were not delivered.

The gem is being held in storage by the Los Angeles County Sheriff's Department in South El Monte until the case is resolved.

The story is so full of mystery and intrigue, the the <u>National Geographic Channel even did a</u> segment on it.



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