

Sarine to Buy Majority Stake in Grading Lab GCAL



Sarine Technologies has agreed to acquire a majority share in New York-based Gem Certification and Assurance Lab (GCAL) amid a push to expand in the American market.

“At the beginning of last year, we started ramping up our activities in the US,” Sarine CEO David Block told *Rapaport News* on Thursday. “Due to that, the discussions with regard to this [deal] ramped up along with our involvement in the US market. This [deal] should be quite a significant jump in the scope of our business in the US.”

Israel-based Sarine has signed a nonbinding memorandum of understanding (MoU) to purchase the stake for an all-cash consideration, it announced in a statement on Wednesday. The parties plan to reach a final agreement in a few months once due diligence is complete, Block said. The companies have not disclosed the sale price or

the size of the share.

GCAL will continue to offer its customers the same products and services as before the deal, and its executives will remain in charge, Sarine said.

However, while currently operating out of a single location in New York, GCAL will be able to implement Sarine's e-Grading — an automated grading service using artificial intelligence (AI) — to develop the lab's capabilities across the US and globally. The companies will begin integrating their technology and services even before the deal closes, Block explained. Sarine will continue to offer its services independently outside the US.

Founded in 2001 by Don Palmieri, family-owned GCAL is known for providing diamond certificates carrying a guarantee, rather than just reports that act as a description of grades. In 2021, it launched 8X, a cut-grading standard that it claims is more exacting than the industry's triple Ex score.

"Sarine's technologies will allow us to continue to abide by [our] key code of ethics while still expanding our services to meet the growing demand by consumers seeking confidence that their acquired products and services meet all norms of quality and sustainability," said GCAL chief operating officer Angelo Palmieri.

Image: A grader at GCAL. (GCAL)