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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ORIGINAL

ADMINISTRATIVE PROCEEDING
File No. 3-16991

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In the Matter of	:	
	:	ANSWER OF LAZARE
Downer's Gap, Inc.	:	KAPLAN INTERNATIONAL,
(a/k/a Downers Gap, Inc.)	:	INC.
DST Media, Inc., and	:	
Lazare Kaplan International, Inc.	:	
	:	
Respondents.	:	

----- X

Respondent Lazare Kaplan International, Inc. ("LKI"), by their attorneys, Ruskin Moscou Faltischek, P.C., as and for an answer to the allegations to the Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934, File No. 3-16991, dated December 8, 2015 (the "Order"), alleges as follows:

1. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 1 of the Order, which allegations concern an entity other than this answering respondent.

2. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 2 of the Order, which allegations concern an entity other than this answering respondent.

3. Denies the allegations in paragraph 3 of the Order to the extent that LKI "[has] not filed any periodic reports since it filed a Form 10-Q for the period ended February 28, 2009." (See Order at ¶ 3) (emphasis added). LKI, as stated in prior filings with the SEC, has been unable to resolve a material uncertainty concerning (a) the collectability and recovery of certain

assets, and (b) the Company's potential obligations under certain lines of credit and a guaranty (all of which, the "Material Uncertainties") and, accordingly, the Company has been unable to finalize its financial statements or file the corresponding (i) Annual Reports on Form 10-K for each of its fiscal years ended May 31, 2009-2015, and (ii) Quarterly Reports on Form 10-Q for its quarterly fiscal periods ended after May 31, 2009.

LKI has filed, with respect to each delinquent Form 10-Q and Form 10-K, a Form 12b-25 (Notification of Late Filer), announcing that it is unable to make the applicable filing because of the Material Uncertainties, and provided limited estimated (unaudited) financial information. LKI also filed Current Reports on Form 8-K, restating the same information as in the 12b-25 and when appropriate, providing updates to the litigation, the resolution of the Material Uncertainties, and certain information regarding LKI's business and operations. Finally, LKI has filed, from time to time, other Form 8-Ks to disclose other, unrelated material events of LKI, in accordance with applicable disclosure rules. While the Company intends to as promptly as practicable finalize and file its Forms 10-K and Forms 10-Q for the periods referenced above with the SEC upon the earlier to occur of (a) the successful resolution of the remaining aspects of the Material Uncertainties or (b) the Company concluding (together with its Independent Public Accountants) that the remaining Material Uncertainties have been resolved to such an extent that it can finalize its financial statements, it does not presently expect to be current in such filings before April 9, 2016. LKI otherwise admits the allegations set forth in paragraph 3 of the Order.

4. Denies the allegations in paragraph 4 of the Order to the extent that LKI failed to maintain a valid address on file with the Commission and "failed to heed delinquency letters sent to them by the Division of Corporation Finance." (See Order at ¶ 4). LKI did in fact maintain a valid address and respond to delinquency letters with a thorough explanation and mitigating

reasons for the filing delays. Indeed, in their most recent response in June 2014, LKI offered to provide the Commission with more information in person or otherwise. To date (eighteen months from LKI's most recent response), the Commission has not responded and/or requested further information. LKI otherwise admits the allegations set forth in paragraph 4 of the Order.

5. Lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 5 of the Order, which allegations concern a statement of law by the Commission.

6. Admits the allegations in paragraph 6 of the Order.

SEPARATE DEFENSES

First Separate Defense

7. The facts of this case do not warrant a revocation of the registration of LKI's registered class of securities.

8. Rather, Dismissal of the Order herein in its entirety, or, in the alternative, a temporary suspension of Respondent's securities registration for up to twelve months, is the appropriate remedy.

Second Separate Defense

9. LKI has made good faith efforts to resolve the Material Uncertainties which would enable it to comply with all applicable laws and rules relating to its disclosures.

10. As a result of the Material Uncertainties, LKI was unable to finalize its financial statements and accordingly has not been able to file its Annual Reports on Form 10-K for each of its fiscal years ended May 31, 2009-2015 and/or its Quarterly Reports on Form 10-Q for its quarterly fiscal periods ended after May 31, 2009.

11. Instead, with respect to each Form 10-Q and Form 10-K that it was unable to file, LKI has appropriately filed a Form 12b-25 and a corresponding Form 8-K announcing that it was unable to make the applicable filing because of the Material Uncertainties, and further disclosed in such documents certain information regarding LKI, its business and operations.

12. The Material Uncertainties referenced above are the direct result of a fraud which LKI believes was perpetrated by KBC Bank N.V. (“KBC”) and Antwerp Diamond Bank N.V. (“ADB”) on LKI.

13. Commencing in early 2009, LKI entered into discussions with the Executive Committee and senior management of ADB concerning, among other matters, its knowledge with respect to the loss or theft of LKI’s assets and the possible obligations of ADB to LKI and one of its subsidiaries resulting from ADB’s actions and the actions of certain of its senior personnel.

14. On December 23, 2011, LKI filed suit in the United States District Court for the Southern District of New York against ADB and KBC for damages under the Racketeer Influenced and Corrupt Organizations Act (“RICO”) and state law. The lawsuit alleges that the two banks engaged in money laundering and other illegal activity that includes the theft of over \$135 million from the sales of diamonds belonging to LKI and its affiliates. Both banks had offices in New York and conducted licensed banking operations in the United States.

15. Given that LKI is rigorously pursuing its RICO action against KBC and ADB, and that the resolution of that RICO action is expected to resolve the remaining Material Uncertainties to an extent that LKI can finalize its financial statements, Dismissal of the Order, or, in the alternative, a temporary suspension of, Respondent’s securities registration for up to

twelve months, is the remedy that best serves the interests of investors and prevents LKI and its shareholders from being unnecessarily penalized due to the de-registration of LKI's stock.

Third Separate Defense

16. Since learning about the underlying fraud that is the basis for its allegations in the complaint against ADB and KBC, LKI has engaged the responsible parties in an effort to resolve the resulting Material Uncertainties.

17. LKI also settled its claims against both ABN-AMRO Bank N.V. and its insurers, which resolved certain of the Material Uncertainties.

18. LKI hopes to obtain a resolution in its lawsuit against KBC and ADB within 12 months, thereby resolving the remaining Material Uncertainties.

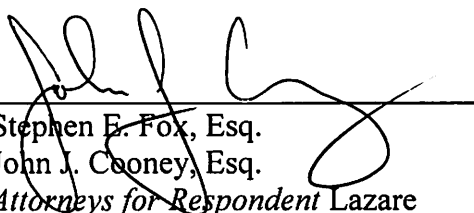
19. Accordingly, Dismissal of the Order, or, in the alternative, a temporary suspension of Respondent's securities registration for up to twelve months, is the appropriate remedy.

WHEREFORE, respondent LKI respectfully requests a judgment and order dismissing the Order herein in its entirety, or suspending Respondent's securities registration for up to twelve months, and awarding Respondent such other and further relief as deemed just, fair and equitable, including the costs and expenses of this action.

Dated: Uniondale, New York
 December 21, 2015

RUSKIN MOSCOU FALTISCHEK, P.C.

By: _____



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John J. Cooney, Esq.
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TO:

Brent J. Fields
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Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549
Via Fax: (202) 772-9324/25

Neil J. Welch, Jr.
Senior Investigations Counsel
United States Securities and Exchange
Commission
100 F Street, N.E.
Washington, D.C. 20549
Via Email: welchn@sec.gov

The Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-2557
Via Fax: 202-777-1031

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Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-2557
Via Fax: 202-777-1031
Via Email: alj@sec.gov



Connie Irish

Sworn to before me this
21st day of December, 2015



Notary Public

#629271

JENNIFER BARBARO
Notary Public, State of New York
No. 01BA4979365, Suffolk County
Commission Expires 03/25/2019

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December 21, 2015

**VIA FACSIMILE (202) 777-1031
AND FEDERAL EXPRESS**

The Honorable Brenda P. Murray
Chief Administrative Law Judge
SEC
100 F Street N.E.
Washington, D.C. 20549-2557

Re: File No. 3-16991
In the matter of
Downer's Gap, et al.

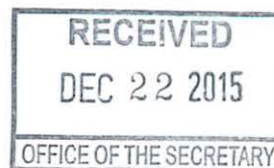
Dear Judge Murray:

Enclosed please find your copy of the Notice of Appearance, Answer and Affidavit of Service for Respondent Lazare Kaplan International in the above-referenced matter. One copy has also been sent via Federal Express to your address.

Sincerely,



RMF
RUSKIN MOSCOU FALTISCHEK P.C.
Counselors at Law



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December 21, 2015

**VIA FACSIMILE (202) 772-9324/25
AND FEDERAL EXPRESS**

Office of the Secretary
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549

Re: File No. 3-16991
In the matter of
Downer's Gap, et al.

Dear Commission's Secretary:

Enclosed please find the Notice of Appearance, Answer and Affidavit of Service for Respondent Lazare Kaplan International in the above-referenced matter. One non-facsimile original with a manual signature has been sent via Federal Express to your address. As indicated, copies have been sent to The Honorable Brenda P. Murray, Chief Administrative Law Judge, and Neil J. Welch, Jr., Senior Investigations Counsel., SEC.

Sincerely,


John Cooney
For the Firm

Enclosures