



PRECIOUS METAL IRA FAQ'S

Who is the custodian of my Precious Metals IRA?

Sterling Trust Company will be your new Precious Metals IRA custodian. They are the premier custodian for Precious Metals IRAs in the U.S. Please review the enclosed Sterling Trust Company overview for details.

Why do I need a custodian to hold the gold in my IRA?

As with any IRA, the IRS requires that a custodian hold and track the assets in the IRA – a Precious Metals IRA is no different.

Is there any tax penalty or tax liability for transferring funds from an existing IRA into a Precious Metals IRA?

A direct transfer of existing Traditional or SEP IRA funds or rolling over eligible 401k funds into a Traditional Precious Metals IRA will not trigger any tax liability. The assets transferred remain tax deferred. Assets transferred into a Roth IRA grow tax free provided that the requirements for a Roth IRA are met. Please consult your CPA for details.

How long will it take for my IRA funds to be transferred to Sterling Trust?

It varies from custodian to custodian, but typically the entire process takes anywhere from three to six weeks.

What are the costs involved in setting up a Precious Metals IRA?

The initial fees for setting up your Precious Metals IRA and storing your gold are:

\$50	One Time Set Up Fee
\$75	Annual Renewable Administrative Fee
\$125	Annual Renewable Metals Storage
\$30	Wire Fee for Investment Purchase

Your **initial fees** may be paid by check made payable to Sterling Trust Company, deducted while your funds are still liquid, or paid by credit card. However, the **renewable annual fees** (\$75 annual administrative fee and the \$125 non-proratable storage fee) are billed to you every January. The only cost charged by Capital Gold Group, Inc. is a one-time management fee of three percent of the amount of your IRA transaction at the time of purchase, plus the spread value on the coins.

Where is my gold stored?

Sterling Trust Company, your new Precious Metals IRA Custodian, has chosen the Delaware Depository Service Company (“DDSC”), a high security vaulting service located in Wilmington, Delaware, to provide storage for their clients. Please review the enclosed DDSC overview for details.

What types of gold can I put in my IRA?

Capital Gold Group recommends U.S. Proof Gold American Eagles, limited edition gold bullion coins; however, other types of bullion are also eligible.

Why do you recommend Proof Gold American Eagles?

CGG recommends U.S. Proof Gold American Eagles for several reasons. Proof Gold American Eagles are minted in limited quantities and therefore add value to your retirement based on limited supply and higher demand, as well as their weight in gold. They offer you the best of bullion and semi-numismatic gold and grow your retirement account in two ways.

What is Proof Gold?

Proof Gold comes in a variety of denominations and sets and undergoes a specialized minting process, which begins by manually feeding burnished 22-Karat coin blanks into presses fitted with special dies. Each coin is struck multiple times so the softly frosted images seem to float above a mirror-like field. After scrutiny by white gloved inspectors, the coin is placed inside a protective plastic capsule in a beautiful, blue velvet presentation case and comes with a Certificate of Authenticity guaranteeing each coin's content, weight and purity by the U.S. Mint.

Why does a one ounce Proof Gold American Eagle cost more than one ounce of bullion?

Common bullion's value is anchored to the spot price and based solely on its weight in gold, while Proof Gold American Eagle coins have value tied to both their weight in gold and supply and demand factors.

Note: The government has minted a limited number of Proof Gold American Eagles each year since 1986. However, on October 8, 2009, the U.S. Mint announced that no 2009 Proof Gold Eagles would be minted. This included 1 oz, 1/2 oz, 1/4 oz, 1/10 oz coins, and the 4 Coin Set. In its statement, the U.S. Mint stated that because its major responsibility is to meet the demand for bullion, no gold blanks could be allocated in 2009 to mint Proof Gold American Eagles, and no Proof Gold American Eagles have been minted thus far in 2010. However, established supplier relationships have enabled Capital Gold Group, Inc. to maintain sufficient supplies of Proof Gold American Eagles to meet the demand of its clients.

Will I receive quarterly statements like I do from other custodians?

Yes. Each quarter, Sterling Trust Company will mail you a statement of the specific metals held in your account and their bid value at the end of the quarter.

Why is the value on my statement less than I paid for the gold?

Your statement from Sterling Trust Company reflects the estimated bid value of your account only, which may initially be less than what you paid for your gold. For a complete explanation and full market valuation of your account, please contact your Gold Specialist.

How do I take distributions from my Precious Metals IRA?

Voluntary or mandatory distributions may be taken by liquidating all or a portion of the gold in your account, or by requesting an in-kind distribution, which will allow you to take physical possession of your gold coins. In either case, you will need to complete an IRA Distribution Request Form from Sterling Trust, requesting either an in-kind distribution or liquidation. Liquidation requests must also be accompanied by a signed and notarized Affidavit of Liquidation from Capital Gold Group, which is your acceptance of our firm offer to buy-back your gold coins at the stated price. Your Gold Specialist can assist you with this process.

Who is eligible for a Traditional Precious Metals IRA?

Anyone who is under age 70½ and has earned income is eligible for a Traditional Precious Metals IRA.

How much can be contributed to a Traditional or Roth IRA?

You can contribute to your 2010 IRA starting January 1, 2010 (which has a deadline of April 15, 2011). Individuals up to age 49 may contribute \$5,000. Those 50 and older may contribute \$6,000. However, existing funds in a Traditional or Roth IRA or eligible 401k may be transferred into a Precious Metals IRA without any limitations.

Who can establish a SEP IRA?

Any employer or self-employed individual may establish a SEP IRA.

What are the eligibility requirements for employees to participate in a SEP IRA?

An employee is eligible if the employee has reached age 21, worked for the employer for at least 3 of the last 5 years, and has at least \$500 in compensation from the employer.

How much can be contributed to a SEP IRA?

For 2010, the maximum SEP contribution remains at \$49,000 and is based on a percentage of earnings for the year. Please consult your CPA for the amount of your allowable contribution.

MAKE YOUR CAPITAL AS SAFE AS GOLD™

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