

CAPITAL GOLD GROUP, INC.

5850 Canoga Avenue, Suite 400, Woodland Hills, CA 91367

Phone (800) 510-9594 Fax (888) 465-3998

TERMS & CONDITIONS AGREEMENT

Customer Name

Confirmation Number

Mailing Address

Gold Specialist

City State Zip Code

Pre-33 Proof Bullion

Daytime Phone Evening Phone

Gold Silver

Shipping Address (if different from mailing address)

Storage Account: Yes No
(IRAs automatically include custodial storage)

City State Zip Code

Customer Email Address

RECITALS

- A. Capital Gold Group, Inc. ("CGG") is in the business of selling coins and precious metals.
- B. Customer represents that his/her name and address are as indicated above (hereinafter "Customer").
- C. This Agreement is entered into by and between CGG and Customer for the shipping and acquisition of certain identified items.
- D. Customer represents he/she has the legal capacity and is authorized to enter into this Agreement.

In consideration of the transaction(s) between CGG and Customer, the receipt and sufficiency which are expressly acknowledged, the parties agree as follows:

1. **Delivery of Purchased Item(s).** Upon the confirmation and receipt of the agreed on funds constituting full payment of the agreed purchase price, CGG shall ship Customer's purchase within 7-21 business days. For payments by check, this shipment will be made within twenty-nine (29) business days after a check has been received, processed and cleared. CGG shall ship purchased items to Customer through insured United States Postal Service (USPS) Registered Mail. INITIALS _____

2. **Lost or Non-Received Item(s).** If any item is lost or not received by Customer, then Customer must notify CGG immediately. CGG will then, in its sole discretion, upon verification the item was lost or not received, and within ninety (90) days of such verification, either refund to Customer the full purchase price for such lost or non-received item(s) or replace such item(s) with another item or items identical to that purchased. If the item is stolen, it is the responsibility of the customer to report the loss to their local authorities and/or file a claim with their insurance company

3. **Holding Period.** Rare coins and bullion should be considered a long-term investment. Customer should be prepared to hold any item purchased for at least a three to five-year period and preferably five to ten years to maximize the potential for gains. Customer should only invest capital that can be held for at least this estimated period of time. Customer is aware that CGG makes no guarantee or representation that Customer will profit at the expiration of such period of time. Customer acknowledges and agrees that CGG does not provide investment advice. INITIALS _____

4. **Customer Assumes the Risk of Investment(s).** Customer assumes the risk of all investment decisions regarding all purchased items. CGG makes no guarantee or representation regarding Customer's ability to profit from any purchase or any representation regarding any tax implications of any purchase. In no event shall CGG, its employees or agents, be held liable for any direct or indirect damages arising from Customer's purchase. In addition, CGG disclaims any express or implied warranties, including any warranty as to the grade or description of any item. There are no managed accounts. The Customer alone decides what items to buy and when to buy or sell. CGG does not guarantee the profitability of any purchase nor does CGG guarantee that Customer will be able to sell any item purchased for a profit in the future.

5. **Additional Services Provided.** CGG may provide additional services to Customer, which may include financial and investment tools such as reports, alerts, and/or quarterly price evaluations and prospects. Customer acknowledges that the services provided are for Customer's convenience, and use of the services and any reliance upon any materials, including any action taken by Customer because of such use or reliance is at the sole discretion and risk of Customer.

6. **Authority of Agents of CGG.** No agent, employee or representative of CGG has the authority to bind CGG to any affirmation, representation, or warranty concerning any item(s) purchased under this Agreement, and unless an affirmation, representation, or warranty made by an agent, employee, or representative is specifically included within this written Agreement, it shall not in any way be enforceable.

7. **Customer's Investment Objectives and Financial Situation.** CGG is always prepared to assist Customer in selecting coins for a portfolio or collection. Customer acknowledges, however, that the decision to purchase coins and which coins to purchase is ultimately the Customer's alone and CGG is not responsible for Customer's decision to purchase item(s). Customer acknowledges that any and all assistance CGG may offer to Customer does not create a fiduciary relationship between CGG and Customer. Any and all purchases are made subject to Customer's own prudence, judgment and ultimate decision. CGG does not provide tax, investment or legal advisory services and no one

Customer's Name: _____

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associated with CGG is authorized to render any such advice. Any written or oral statements by CGG, its principals, agents, or representatives relating to future events constitute opinions only and are not representations of fact. If Customer is above the age of 65, then by signing this agreement the Customer warrants that he or she is of sound mind and capable of making this financial decision for investment. Customer further warrants that he or she has been informed fully of all risks, was not coerced into deciding to purchase the item(s), and forfeits any claim(s) against CGG of being coerced to make this investment.

8. Purchase Price.

- a. **Total Price.** The total price for this order is \$ _____ which includes \$ _____ in shipping and insurance costs.
- b. **Payment Method.** This transaction will be completed by:
Bank Wire Book Transfer Cash Certified Check Personal Check Money Order IRA Transfer
- c. **Proof, Semi-Numismatic and Numismatic Coins.** The price for proof, semi-numismatic and numismatic coins includes a bid/ask spread (wholesale/retail spread) from fifteen to thirty-five percent. The exact bid/ask spread for this transaction is as stated in the Customer's recorded voice confirmation.
- d. **Bullion.** The price for bullion (coins and bars that move most closely with the gold and silver spot price) includes a bid/ask spread (CGG wholesale/retail spread) from ten to twenty percent. The exact bid/ask spread for this transaction is as stated in the Customer's recorded voice confirmation.

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- e. **Quotes.** All quotes are given at the "ask" (CGG retail) price.
- f. **Cancellation.** Customer agrees to complete this transaction and agrees to pay a 5% repurchase fee if for any reason this transaction is not completed after this order has been confirmed by CGG.

9. **California Agreement.** Customer acknowledges and agrees that this Agreement is made and entered into in Woodland Hills, Los Angeles County, California.

10. Arbitration.

- a. **Location of Arbitration.** Customer understands and agrees that by signing this Agreement, the Customer is agreeing for himself/herself and for Customer's successors, assigns, heirs and/or any party acting on Customer's behalf, that any controversy, claim or dispute arising out of or relating to this Agreement or its breach shall be settled solely and exclusively by binding arbitration in Los Angeles, California.
- b. **Nature and Composition of Arbitration Panel.** Such arbitration shall be conducted before Judicial Arbitration and Mediation Services ("JAMS"), or if JAMS is not available, any other organization that the parties mutually agree to use. The parties shall mutually agree upon three neutral arbitrators. The parties agree to meet and confer until all arbitrators mutually acceptable are agreed upon.
- c. **Costs of Arbitration.** The expenses and fees of the arbitration, together with other expenses of the arbitration incurred or approved by the arbitrators, shall be divided equally between the parties.
- d. **Right of Discovery.** In conducting the arbitration, Customer and CGG shall be entitled to engage in full and complete discovery as set forth in the California Code of Civil Procedure and as though an action were filed in the Superior Court of the State of California, County of Los Angeles.
- e. **Confidentiality.** Any dispute, testimony, documents produced and outcome of the arbitration shall remain confidential. Any breach of this confidentiality clause shall entitle the non-breaching party to seek injunctive relief and/or compensatory damages from any court having competent jurisdiction or the arbitration panel.
- f. **Injunctive Relief.** Either party may apply to the arbitrators seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also, without waiving any remedy under this agreement, may seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitration panel.
- g. **Waiver of Right to Jury Trial.** In agreeing to arbitrate, the parties understand and agree that they are both waiving their rights to a jury trial or a trial before a judge in a public court.
- h. **Choice of Law.** All arbitrations covered by this Agreement shall be adjudicated in accordance with California state law.
- i. **Authority of Arbitrators.** The arbitrators shall have the authority to award compensatory damages, equitable relief, liquidated damages, pre-award interest, and reasonable attorneys' fees and costs. The arbitrators shall not have authority to award punitive or exemplary damages.
- j. **Guidance for Arbitrator.** Legal guidance for the arbitrators shall be provided by the parties for purposes of establishing context, limited to guidance on the specific arguments presented in the arbitration. The legal guidance will consist of a list of citations or copies of relevant cases and legal authority. The arbitrators are not permitted to make any conclusions of law or provide reasoning that represents an interpretation of the law; however, it is necessary for the arbitrator to refer to the existing applicable law in considering the submitted issues. The arbitrators shall look solely to the legal guidance provided by the parties

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in determining the issue presented and conducting the arbitration. If any legal guidance for the arbitrators was overlooked, at the sole request of the arbitrators, the parties may agree upon further legal guidance and the manner in which it is to be communicated to the arbitrators. The arbitrators shall be required to follow applicable law.

- k. **Arbitration Award.** The arbitration award shall be in writing signed by each of the arbitrators and shall state the basis for the award. The arbitration award shall be set forth in reasonable detail as to its findings of fact and law and basis of determination of award form and amount.
- l. **Appeal of Award.** In addition to any basis for appeal of an arbitration award stated in any applicable law governing the enforcement of arbitration awards, either party may appeal an arbitration award on the basis that the arbitrators incorrectly decided a question of law in making the award, or that the award was substantially supported by or made in manifest disregard of the factual evidence.
- m. **Enforcing Arbitration.** In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrators' award, or fails to comply with arbitrators' award, the other party is entitled of costs of suit including a reasonable attorneys' fee for having to compel arbitration or defend or enforce the award.
- n. **Inapplicability of Arbitration Clause.** IF FOR ANY REASON THIS ARBITRATION CLAUSE BECOMES NOT APPLICABLE, THEN EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING HERETO IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER MATTER INVOLVING THE PARTIES HERETO.

11. **DISCLAIMER OF DAMAGES.** IN NO EVENT, AND UNDER NO LEGAL THEORY, CONTRACT, TORT, OR OTHERWISE, SHALL CGG, ITS PRINCIPALS, AGENTS, REPRESENTATIVES, SUBSIDIARIES, SELLERS OR AFFILIATES BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO DAMAGES RESULTING FROM LOSS OF PROFITS, WAGES OR BUSINESS, EVEN IF CGG ADVISES OF THE POSSIBILITY OF SUCH DAMAGES.

12. **INDEMNITY TO CGG.** CUSTOMER AGREES TO DEFEND, INDEMNIFY AND HOLD CGG HARMLESS FROM ANY AND ALL LIABILITIES, COSTS AND EXPENSES INCLUDING, WITHOUT LIMITATION, TO ATTORNEYS' FEES AND COSTS RELATED TO OR ARISING FROM ANY UNAUTHORIZED USE OF THE PRODUCT, WHETHER SOLD, PURCHASED OR OTHERWISE; AND THE USE OF THE PRODUCT BY CUSTOMER OR BY THOSE WHO HAVE ACCESS TO CUSTOMER'S ACCOUNT IN A MANNER CONTRARY TO ANY LAW OR REGULATION OR WHICH IS HARMFUL IN ANY WAY TO CGG OR ANY OF ITS SUBSIDIARIES OR AFFILIATES.

13. **Volatility of Market.** The success of an investment in coins is dependent, in part, upon extrinsic economic forces including supply, demand, domestic and international monetary conditions, inflation and/or the expectation of inflation. The impact of these forces on the values of coins cannot be predicted with any certainty. Customer acknowledges that the coin and precious market can be volatile and that coin and precious metal prices may rise or fall over time and that past performance is no indication of future performance. Moreover, coins and precious metals are not suitable investments for anyone seeking current income. CGG shall not be liable for loss caused directly or indirectly by any exchange or market ruling, government restriction, or any "force majeure" (e.g. Acts of God, fire, war, insurrection, riot, terrorism, communications or power failure) or any other cause beyond the reasonable control of CGG.

14. **Remedy for Customer's Breach of Contract Agreement.** In the event that Customer refuses to accept delivery of the purchased item(s) or fails to make payment when due, it will constitute a breach of this Agreement. CGG, in its sole discretion, shall be entitled to recover from Customer a 5 % (five percent) repurchase fee and the difference in any market fluctuations. CGG shall be entitled to recover any incidental damages caused by Customer's breach.

15. **Retirement Accounts.** CGG has made every effort to comply with current federal laws in connection with coins which are placed in an IRA. However, CGG expressly disclaims any responsibility or obligation for any tax impact to Customer as a result of future Internal Revenue Code regulations or interpretations of current law. Customer expressly acknowledges and agrees that Customer has been advised to seek independent tax advice and that CGG has made no representations regarding the tax impact of coins held as an investment in an IRA.

16. **Buy-Back of Purchased Item(s).** CGG is a buyer of Rare Coins and bullion at the prevailing current market value. If Customer wishes to sell such items in the future, CGG encourages Customer to offer them to CGG first. CGG is prohibited by law from guaranteeing to repurchase coins sold by CGG. However, CGG has always made buy/sell markets in the coins we offer at the highest posted bid price on the electronic exchange. This buy-back policy is not a guarantee and is subject to change without notice. Any risk of loss from all hazards shall be borne by Customer until any item(s) purchased by CGG are actually received by CGG.

17. **Refund Policy.**

- a. **No Refunds Except as to Counterfeit Coin(s).** CGG shall not be obliged to accept returns of any coin(s) for refund other than counterfeit coins returned in their original holders within one year of purchase. In the case of counterfeit coins, CGG's liability to Customer shall be limited to refund of the purchase price or replacement of the coin(s) in question. CGG expressly disclaims any further liability to Customer, including any liability for lost profits or consequential damages as a result of counterfeit coins. In no event will CGG be liable for a replacement or refund of the purchase price for any coin purchased by Customer if more than one year has elapsed since the date of purchase, regardless of when Customer became aware of the claim.
- b. **Bullion.** ALL BULLION TRANSACTIONS ARE FINAL UNLESS THE ITEM HAS BEEN PROVEN TO BE FALSE BY COMPETENT AUTHORITY.

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18. **Disclaimer of Express Warranties.** CGG warrants that the nature and precious metals content of the purchased item(s) are as described and are genuine, but no other express warranty is made in respect to any purchased item(s). Grades and descriptions of rare coins are opinions only, not statements of fact or guarantees, and are based on standards and interpretations that can and do change over time. CGG uses contemporary grading standards and interpretations to grade coins, or relies upon the opinions of independent grading services such as the Professional Coin Grading Service, (PGCS); Numismatic Guaranty Corporation of America (NGC); and American Numismatic Association Certification Service (ANACS). CGG does not guarantee that the coins it sells will achieve the same grades from CGG itself or from any independent grading service in the future.

19. **Finality of this Writing.** This Agreement is intended by the Parties as a final expression of their agreement concerning the matters contained herein, and as a complete and exclusive statement of the terms of their agreement. This Agreement supersedes any oral or written statement prior to or contemporaneous with this transaction by CGG. Customer shall not rely on any statement by or on behalf of CGG which is inconsistent with this Agreement. CGG reserves the right at any time to amend, change, revise, add or modify the terms and conditions set forth in this Agreement.

20. **Governing Law.** This Agreement shall be construed and enforced in accordance with the internal Laws of the State of California. Customer acknowledges that CGG has its principal place of business in California. Customer acknowledges that he/she is transacting business in the State of California. Any action, including but not limited to arbitration and court actions arising out of this Agreement shall be exclusively venued in the State of California, County of Los Angeles, and shall be governed by the laws of the State of California. Customer submits to personal jurisdiction within the State of California. **INITIALS** _____

21. **Severability.** If any provision of this Agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this Agreement shall remain in effect.

22. **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement and the agreements appended hereto or executed in connection with this Agreement may be signed and transmitted by facsimile, and any copy with a facsimile signature will be deemed a valid signature hereto or thereto and shall be deemed binding on the parties as if it were an original signature.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH AFFECTS YOUR LEGAL RIGHTS AND MAY BE ENFORCED BY THE PARTIES. BY SIGNING BELOW, I ACKNOWLEDGE THAT I HAVE READ, UNDERSTAND AND HEREBY AGREE TO THE TERMS OF THIS AGREEMENT, AND I SHALL RETAIN A COPY FOR MY RECORDS.

Date: _____

Customer Signature

Printed Name

SHIPPING AND INSURANCE COSTS FOR DIRECT DELIVERY GOLD(NON-IRA)

<u>Investment Amount</u>	<u>Shipping Cost</u>	<u>Investment Amount</u>	<u>Shipping Cost</u>
\$0 - \$10,000	\$50	\$500,000.01 - \$550,000	\$1,100
\$10,000.01 - \$50,000	\$100	\$550,000.01 - \$600,000	\$1,200
\$50,000.01 - \$100,000	\$200	\$600,000.01 - \$650,000	\$1,300
\$100,000.01 - \$150,000	\$300	\$650,000.01 - \$700,000	\$1,400
\$150,000.01 - \$200,000	\$400	\$700,000.01 - \$750,000	\$1,500
\$200,000.01 - \$250,000	\$500	\$750,000.01 - \$800,000	\$1,600
\$250,000.01 - \$300,000	\$600	\$800,000.01 - \$850,000	\$1,700
\$300,000.01 - \$350,000	\$700	\$850,000.01 - \$900,000	\$1,800
\$350,000.01 - \$400,000	\$800	\$900,000.01 - \$950,000	\$1,900
\$400,000.01 - \$450,000	\$900	\$950,000.01 - \$1,000,000	\$2,000
\$450,000.01 - \$500,000	\$1,000		

SHIPPING AND INSURANCE COSTS FOR DIRECT DELIVERY SILVER (NON-IRA)

\$0 - \$1000	\$ 25	\$25 for each additional \$1,000
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