

SHIPPING AND TRANSACTION AGREEMENT

Customer Name: _____

Street Address: _____

Daytime Phone: _____

City / State / Zip: _____

Evening Phone: _____

Email Address: _____

By signing below, I acknowledge that I have read, understand, and hereby agree to the terms set forth on all four (4) pages of this Agreement

Dated: _____

Customer's Signature: _____

_____ By initializing in the space provided, and by your signature on this agreement, you hereby expressly authorize WDMI to Telephone you at the number(s) provided above, irrespective of whether or not your telephone number appears in the Initial Here **"National Do Not Call Registry."** 16 CFR_310.4(b)(1)(iii)(B)(i) and (ii).

Wholesale Direct Metals, Inc. ("WDMI") and Customer agree, subject to the provisions in this Transaction Agreement set forth in Paragraph 11, that the following terms shall govern the pending and all future transactions between the parties involving Precious Metals. "Precious Metals" shall mean, for purposes of this Transaction Agreement, any precious metal, in any form, that is the subject of a transaction between WDMI and Customer, and shall include, but is not limited to, bullion bars and coins, semi-Numismatic coins and bars, and Numismatic coins and bars.

1. Delivery of Precious Metals Purchased: Customer must deliver funds sufficient to cover the purchase within two (2) business days of Customer's placement of the order ("Purchase Funds"). Purchase Funds may be delivered by certified bank check or bank wire transfer. With the limited exception noted in Paragraph 8a, **all sales are final (i.e., the Precious Metals cannot be exchanged or returned for a refund).** Checks may be made out to Wholesale Direct Metals, Inc. (For wire transfer instructions, please contact your WDMI sales representative.) WDMI shall deliver the Precious Metals specified in Customer's order to a suitable delivery service for delivery to Customer no more than twenty-eight (28) days after WDMI verifies that the Purchase Funds provided are backed by good funds. (Please note that it may take 12 business days to so verify bank checks.) If Customer fails to provide the Purchase Funds within two (2) business days of Customer's placement of the order, WDMI may exercise the rights set forth in Paragraph 4, below.

2. Delivery of Precious Metals: Unless otherwise specified in writing at the time of Customer's order, WDMI shall cause all Precious Metals purchased and paid for to be delivered to Customer's address set forth above. WDMI only uses reputable, nationally recognized delivery services to deliver its Precious Metals. If, however, Customer's order is lost prior to delivery, Customer is instructed to notify WDMI, in writing, immediately. Notice of any such alleged loss should be sent to: Wholesale Direct Metals, Inc., Attention: Customer Service, 15200 Sunset Blvd #202, Pacific Palisades, CA 90272. If the delivery service verifies that Customer's Precious Metals were never delivered, WDMI shall, within sixty (60) days of such verification, in its sole discretion, either refund to Customer the full purchase price for such undelivered Precious Metals or replace such Precious Metals with other Precious Metals of the same denomination/type and grade. WDMI assumes no responsibility for Precious Metals lost after delivery to Customer. WDMI assumes no risk of loss for any Precious Metals purchased from a Customer until such materials are delivered to and accepted by an authorized representative of WDMI.

3. Purchase Price:

a. **Sales:** The purchase price Customer has been quoted and agreed to pay includes WDMI's profit margin on the transaction. Within the Precious Metals industry, the difference between WDMI's cost on the day of the purchase (for the Precious Metals Customer has agreed to buy) and the retail price quoted to Customer is known as the "Spread." Spreads vary significantly – by Precious Metal, by customer, and over time. For Customer to make a profit, Customer must be able to sell the Precious Metals in the future for a price high enough to cover Customer's initial investment, including this Spread. Spreads may be subject to negotiation, and any Spread charged to Customer in a specific transaction may be more or less than the Spread charged to others in similar transactions or charged to Customer in prior or future transactions.

At the time this Transaction Agreement was transmitted for Customer's signature, (i) WDMI's Spread on bullion (i.e., coins and bars that generally move in tandem with the spot price for the relevant commodity) was generally between two percent and ten percent (2 to 10%), and (ii) WDMI's Spread on semi-Numismatic and Numismatic coins and bars was generally between six percent and seventeen percent (6 to 17%), and a typical spread was approximately seventeen percent (17%). These numbers are only approximations, and represent a general range and a typical transaction. The actual Spread on any particular transaction could have been any amount within those ranges (or even possibly outside those ranges).

For example, if a bullion coin or bar was quoted by WDMI at \$400, and included a ten percent (10%) spread, WDMI's cost for the bullion coin or bar would be \$360. Similarly, if WDMI quoted a Numismatic coin or bar at \$400, and included a seventeen percent (17%) spread, WDMI's cost for that coin would be \$332.

WDMI's Spread range may be different (higher and/or lower), and the Spread WDMI charges may be higher or lower, at the time of and for any given transaction.

b. **IRA Sales:** Individual retirement account ("IRA") transactions are more expensive to process and can require WDMI to assume certain investment risk in connection with the transaction. As such, notwithstanding the general ranges set forth in Paragraph 3a, at the time this Transaction Agreement was transmitted for Customer's signature, WDMI's Spread on all IRA Precious Metals transactions was generally between eight and seventeen percent (8 to 17%), and a typical spread was approximately seventeen percent (17%). These numbers are only

approximations, and represent a general range and a typical transaction. The actual Spread on any particular transaction could have been any amount within that range (or even possibly outside that range). Moreover, WDMI's Spread range may be different (higher and/or lower), and the Spread WDMI charges may be higher or lower, at the time of and for any given transaction.

For example, a bullion coin or bar that ordinarily would be quoted by WDMI (outside an IRA) at \$400, with a ten percent (10%) Spread, might be quoted at \$480, with a seventeen (17%) Spread, if the bullion coin or bar is purchased as an IRA investment. In both those examples, however, WDMI's cost for the bullion coin or bar would be \$398.

c. **Re-purchases:** The law prohibits WDMI from guaranteeing to re-purchase the Precious Metals WDMI sells, and WDMI **does not guarantee** that it will re-purchase any Precious Metals that Customer purchases. However, as of the date of the transmission of this Transaction Agreement, WDMI has never refused the opportunity to re-purchase Precious Metals that a customer purchased from WDMI. If you wish to sell your Precious Metals in the future, WDMI encourages you to offer them to WDMI first. Should WDMI make an offer to re-purchase our Precious Metals, it is WDMI's current practice, which is subject to change at its sole discretion, to offer to re-purchase Precious Metals that it commonly sells at the **highest current wholesale price for such Precious Metals**. WDMI's re-purchase offer may be raised or lowered on a daily, even hourly or more basis, depending upon various market conditions, inventory needs, and the price and availability of comparable Precious Metals. WDMI does not guarantee that any re-purchase offer will equal the price that WDMI would pay to acquire the same denomination/type and grade of Precious Metal from a wholesaler, or that any offer made will be higher or equal to what someone else might offer for the same Precious Metals.

d. By selling to WDMI, the sellers and certifies pursuant to 28 USC §1746 as follows: that seller deals in such article or otherwise by seller's respective occupation, or by seller's respective avocations as collector, speculator, or investor, hold myself out as having knowledge or skill peculiar to such articles or the practices involved in the purchase or sale made with WDMI. Any purchases or sale of coins, hallmark bars, registered ingots, and other items as numismatic objects, by me to or from WDMI is for their numismatic value. To the extent customer is a buyer, they make the same certification and warranty to WDMI, that is Customer certifies pursuant to 28 USC §1746: that they deal in such articles or otherwise by virtue of Customer's respective occupation, or by Customer's respective avocations as collector, speculator, or investor, and hold themselves out as having knowledge or skill peculiar to such articles or the practices involved in the purchase or sale made with WDMI.

e. **Quotes on Customer's Holdings:** Customers may request a quote on their holdings at any time. When requesting a quote, please specify whether you are looking to purchase additional Precious Metals or sell your existing holdings – as WDMI's bid (buy from customer) and ask (sell to customer) quotes will vary. WDMI bases such quotes on a variety of factors, which are not necessarily tied or related to the prices quoted by, or factors considered by, its competitors.

f. **Classification as Bullion, semi-Numismatic, or Numismatic:** Whether a Precious Metal is classified as Bullion, semi-Numismatic, or Numismatic may turn on a number of objective and subjective factors, including the age of the Precious Metal, its condition, the number of known copies, the likelihood of additional minting, the originating country, relevant historical events or owners (e.g., shipwreck; royalty), relevance to the formation of various Precious Metal collections, and an investor's personal attraction to the piece. WDMI's classification of Precious Metals is only an opinion and may change over time (e.g., if additional quantities of the Precious Metal are discovered). In addition, given the subjective nature of the classification process, other dealers or investors may classify the same coin differently. WDMI's prices and spreads are based on its classification determination.

4. **Remedy for Customer's Failure to Perform:** If Customer refuses to accept delivery of the Precious Metals ordered or fails to make payment when due, WDMI, in its sole discretion, may cancel the transaction and resell such Precious Metals on a wholesale basis. If the proceeds from such resale are less than the contract price with Customer, WDMI shall be entitled to recover from Customer the difference between the resale price and Customer's contract price, plus any incidental damages occasioned by Customer's breach. If the proceeds from such resale are more than the contract price with Customer, WDMI shall be entitled to keep the excess amount as liquidated damages – actual damages being too speculative to calculate at this juncture.

5. **Investment Objectives; Holding Period; Investment Risk; No Advice; Commissioned Sales Representatives:**

a. WDMI is a seller and purchaser of Precious Metals. While WDMI is always prepared to compare and contrast the different Precious Metals that are available for purchase or that WDMI is willing to purchase, Customer acknowledges and agrees that (i) **no fiduciary relationship exists** between WDMI and Customer, (ii) the decision to purchase or sell Precious Metals, and which Precious Metals to purchase or sell, are the Customer's decision alone, and (iii) purchases or sales are made subject to Customer's own prudence and judgment.

b. In WDMI's opinion, Precious Metals should be considered a long-term investment. Customer should be prepared to hold any Precious Metals purchased – whether from WDMI or elsewhere – for at least a three to five year period, and preferably five to ten years, to maximize the potential for gains. In WDMI's opinion, Customer should only invest capital that can be held for at least this period of time. However, Precious Metals, like all investments, carry capital risk. Precious Metals may appreciate, depreciate, or stay the same depending on a variety of factors. WDMI cannot guarantee, and makes no representation, that the Precious Metals will appreciate at all or appreciate sufficiently to make Customer a profit at the expiration of this or any other period of time.

c. In WDMI's opinion, Customer should not invest more than thirty percent (30%) of Customer's available investment funds in Precious Metals. Moreover, Precious Metals do not yield income and thus are not an appropriate investment vehicle for investors seeking current or future income.

d. The success of an investment in Precious Metals is dependent, in part, upon extrinsic economic forces including but not limited to supply, demand, international monetary conditions, and inflation or the expectation of inflation. The impact of these forces on the values of Precious Metals in general or any particular Precious Metal cannot be predicted. Customer acknowledges that the Precious Metals market can be volatile and that Precious Metal prices may rise or fall over time. Customer further acknowledges that past performance is no guarantee of future performance.

e. WDMI does not provide tax, investment, or legal advice or advisory services, and no one associated with WDMI is authorized to provide any such advice or services. Any written or oral statements by WDMI, its officers, agents, sales representatives, or other representatives relating to future events or the attributes of certain Precious Metals are opinions only. Such statements, if any, are not representations of fact.

f. WDMI's sales representatives are commissioned salespersons – i.e., their salary is based, at least in part, on the amount and profit margin of the Precious Metals they sell. In addition, from time to time, WDMI's sales representatives may receive other compensation tied to sales activity – e.g., sales contests; bonuses tied to the sale of certain denominations/types or grades of Precious Metals. WDMI's sales representatives are not licensed and their knowledge of Precious Metals and the Precious Metals marketplace varies markedly.

g. WDMI makes no representations regarding the tax consequences of holding Precious Metals as an investment in an IRA. Customer expressly acknowledges that Customer has been advised to seek independent tax advice, from a qualified professional, regarding the tax consequences of such an investment.

6. **Grades:** WDMI purchases Precious Metals for re-sale to its customers. WDMI is not a grading service. WDMI does not independently assess the Precious Metals it purchases for re-sale, but relies upon the opinions and assessments of independent grading services such as Professional Coin Grading Service, Inc., Numismatic Guaranty Corporation of America, and ANACAS. Grading is a subjective process and it is not uncommon for grading services, or individual examiners within the same grading service, to reach different conclusions regarding the appropriate grade for a particular Precious Metal. Moreover, grading standards are constantly evolving. WDMI does not guarantee that the Precious Metals it sells will achieve the same grades in the future.

7. **Representation/Warranty; Sales Representatives Not Authorized To Make Other Representations or Warranties:** WDMI represents and warrants that, upon the delivery of Purchase Funds (as provided for in Paragraph 1), and subject to the other terms and restrictions set forth in this Transaction Agreement, WDMI will cause to be delivered to Customer the denomination/type and grade of Precious Metals specified in Customer's order, as classified and/or graded by one of the following independent grading services: Professional Coin Grading Service, Inc., Numismatic Guaranty Corporation of America, ANACAS, or any other independent grading service of similar standing. The only representation and warranty that Customer may rely upon in purchasing Precious Metals from or selling Precious Metals to WDMI is the representation set forth in this Paragraph 7. Neither WDMI, nor any of its officers, agents, employees, sales representatives, or other representatives are authorized to make any other representations or warranties concerning any Precious Metals that WDMI is selling or purchasing under this Transaction Agreement.

8. Refund Policy:

a. **Replacement of Semi-Numismatic or Numismatic Coins Where Grade Disputed:** Customer agrees to inspect each delivery carefully upon receipt. If, for any reason whatsoever, Customer is dissatisfied with the quality of a **semi-Numismatic or Numismatic coin or bar** (specific kinds of Precious Metals) purchased from WDMI, Customer should immediately notify WDMI. If Customer notifies WDMI of its dissatisfaction within fifteen (15) days of delivery of the semi-Numismatic or Numismatic coin or bar and the original holder in which the semi-Numismatic or Numismatic coin or bar in question was delivered has **not** been opened, removed, or tampered with in any respect, WDMI shall replace the semi-Numismatic or Numismatic coin or bar in question with another semi-Numismatic or Numismatic coin or bar (as appropriate) of the same denomination/type and grade. WDMI, in its sole discretion, **may** permit Customer to upgrade to a higher value semi-Numismatic or Numismatic coin or bar (either in denomination/type or grade) as part of this replacement process, provided Customer pays the difference between the contract price of the semi-Numismatic or Numismatic coin or bar previously purchased and WDMI's current sale price for the higher value semi-Numismatic or Numismatic coin(s) or bar(s) to be substituted. If WDMI determines, in its sole discretion, that another semi-Numismatic or Numismatic coin or bar of the same denomination/type and grade is not reasonably, commercially available, WDMI may elect, at its sole option, to either (i) replace the semi-Numismatic or Numismatic coin or bar purchased with a reasonably comparable semi-Numismatic or Numismatic coin or bar, even though of a different denomination/type and grade, or (ii) return Customer's Purchase Funds and void that particular transaction.

b. With the exception noted in Paragraph 8a, **ALL SALES ARE FINAL (i.e., the Precious Metals cannot be exchanged or returned for a refund).**

9. **Disclaimer of Express and Implied Warranties: EXCEPT AS SET FORTH IN PARAGRAPH 7, THE PRECIOUS METALS SOLD BY WDMI PURSUANT TO THIS TRANSACTION AGREEMENT ARE SOLD ON AN "AS IS" BASIS AND WDMI MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND OR FITNESS FOR A PARTICULAR PURPOSE.**

10. **No Liability for Consequential Damages; Limitation of Liability: IN NO EVENT SHALL WDMI HAVE ANY OBLIGATION OR LIABILITY (WHETHER IN TORT, CONTRACT, WARRANTY, OR OTHERWISE, AND NOTWITHSTANDING ANY FAULT, NEGLIGENCE, OR STRICT LIABILITY), FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES SUSTAINED OR ARISING FROM OR RELATED TO ANY TRANSACTION COVERED BY THIS TRANSACTION AGREEMENT, EVEN IF WDMI IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHER, WDMI'S LIABILITY TO CUSTOMER FOR ANY REASON AND UPON ANY CLAIMS SHALL AT ALL TIMES BE LIMITED TO THE AMOUNT ACTUALLY PAID BY CUSTOMER FOR THE PRECIOUS METALS IN DISPUTE.**

11. **Application to Future Transactions:** This Transaction Agreement shall control all transactions between WDMI and Customer unless and until such time as it is amended by WDMI. Customer agrees that WDMI may amend this Transaction Agreement at any time and from time to time, that WDMI may give notice to Customer of any amendment by mailing a copy of the amended Transaction Agreement to the address set forth above (or any updated address provided by Customer in the interim), and that following such mailing, the amended Transaction Agreement shall govern succeeding transactions.

12. **Force Majeure:** Neither WDMI nor Customer shall be liable for any failure or delay in its or their performance under this Transaction Agreement due to any cause beyond its or their respective reasonable control, including acts of war, terrorism, acts of God, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the Internet including, but not limited to, any disruption, failure and/or error in or of WDMI's internal computer systems, or any disruption, failure and/or error in or of any third-party Internet service providers as WDMI may use from time to time.

13. **Arbitration of Disputes; Time Limit: ANY DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS TRANSACTION AGREEMENT OR THE BREACH, TERMINATION, ENFORCEMENT, INTERPRETATION OR VALIDITY THEREOF, INCLUDING THE DETERMINATION OF THE SCOPE OR APPLICABILITY OF THIS AGREEMENT TO ARBITRATE, OR ANY OTHER DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF ANY INTERACTION BETWEEN WDMI AND CUSTOMER, SHALL BE BROUGHT WITHIN ONE YEAR OF ITS ACCRUAL AND BE DETERMINED BY ARBITRATION IN LOS ANGELES, CALIFORNIA, BEFORE ONE ARBITRATOR. THE ARBITRATION SHALL BE ADMINISTERED BY JAMS PURSUANT TO ITS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY EXCEEDS \$250,000) OR ITS STREAMLINED**

ARBITRATION RULES AND PROCEDURES (IF THE AMOUNT IN CONTROVERSY IS LESS THAN OR EQUAL TO \$250,000). IF THE ARBITRATION IS A CLASS ARBITRATION, THE AGGREGATE AMOUNT, OF THE PURPORTED CLAIMS OF ALL PUTATIVE CLASS MEMBERS, SHALL BE USED TO DETERMINE WHICH RULES APPLY. JUDGMENT ON THE AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THIS CLAUSE SHALL NOT PRECLUDE PARTIES FROM SEEKING PROVISIONAL REMEDIES IN AID OF ARBITRATION FROM A COURT OF APPROPRIATE JURISDICTION.

14. Choice of Law; Individual and Class Claims: The internal, substantive law of California shall govern all individual claims brought by or against WDMI in connection with this Transaction Agreement or otherwise arising out of any interaction between WDMI and Customer (i.e., California's conflict of law principles will not apply). However, if a class or purported class action is brought by or against WDMI in connection with this Transaction Agreement or otherwise, the claim of each putative or actual class member shall be governed by the internal, substantive law of that putative or actual class member's state of domicile. (The inclusion of this provision is not an admission by WDMI that any claim can be brought or maintained as a class action.)

15. Jurisdiction: Jurisdiction and venue for any dispute, claim or controversy arising out of or relating to this Transaction Agreement or the breach, termination, enforcement, interpretation or validity thereof, or any other interaction between WDMI and Customer, shall be in Los Angeles, California, and any party making a claim against WDMI in whatever form hereby submits to personal jurisdiction in that forum for any and all purposes.

16. Finality; Integration Clause: This Transaction Agreement is intended by WDMI and Customer as a final expression of their agreement concerning the matters set forth herein, and is also intended as a complete and exclusive statement of the terms of their agreement. This Transaction Agreement supersedes any oral or written statements made prior to, contemporaneous with, or in the future regarding this Transaction Agreement or the transactions covered hereunder. Customer shall not rely upon any statement made by or on behalf of WDMI that is inconsistent with this Transaction Agreement.

17. Severability: If any provision of this Transaction 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 full force and effect.

8/11/09. WDMI Terms