



MAG Strategies, Inc. Purchase Terms and Conditions Agreement

Customer Full Name Home Phone
Mailing Address City State Zip
Shipping Address (if different)
City / State / Zip
Customer E-Mail Address

Representative for MAG Strategies, Inc. Referred By:

QUALIFIED: Custodian Account#

Please read carefully – This agreement controls the terms and conditions under which the precious metals are sold through MAG Strategies, Inc.

- A. MAG Strategies, Inc. MAGS, Inc. is in the business of selling bullion such as 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 MAGS, INC. 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 following terms and conditions, the receipt and sufficiency which is hereby expressly acknowledged, the parties agree as follows:

- 1. Parties and Definitions. This Agreement is entered into between MAG Strategies, Inc. ("MAGS, INC. ") and Customer(s) ("Customer" or "you") signing below.
2. Purpose of Agreement. This Agreement provides for the establishment of an order(s) for the Customer with MAGS, INC. for the purchase and sale of commodities (sometimes referred to as "precious metals", "bullion", "coins", "products" or "goods") and shall apply to all such transactions between Customer and AU.
3. Risks and Obligations.
a) Acknowledgment of Risk. Because of the volatile nature of the commodities markets, the purchase and sale of commodities involve a high degree of risk and are not suitable for all persons.
b) Bullion Market Price and Availability Change Constantly. The Customer understands that the bullion offered for sale are commodities traded on various world markets, and that the market price and availability of such types of bullion change constantly with supply and demand.
c) Customer Rights, Obligations and Risks. It is important that Customer reads and understands this Agreement, particularly Customer's rights, obligations and risks hereunder.
4. Transactions and Role of MAGS, INC. /MAGS, INC. Representatives.
a) Types of Transactions. Customer's transactions with AU are cash transactions, not futures, forwards or leverage transactions.
b) Role of MAGS, INC. MAGS, INC. acts as a principal and as such sells to and buys from Customer on their



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own behalf. MAGS, INC. is not an exchange or brokerage house. Neither MAGS, INC. nor any of its employees or representatives acts as an agent or fiduciary for any of MAGS, INC. 's customers. MAGS, INC. does not offer managed accounts.

- c) **Responsibility of Representatives.** It is the responsibility of the MAGS, INC. representative to provide the customer with a copy of the purchase invoice once the order is placed, signed Purchase Terms and Conditions Agreement, and order delivery information when it becomes available.

Customer INITIALS: _____ **Representative INITIALS:** _____

5. **Customer Assumes the Risk of Investment(s).** Customer assumes the risk of all investment decisions regarding all purchased items. MAGS, INC. 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 MAGS, INC., its employees or representatives, be held liable for any direct or indirect damages arising from Customer's purchase. In addition, MAGS, INC. 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. MAGS, INC. does not guarantee the profitability of any purchase nor does MAGS, INC. guarantee that Customer will be able to sell any item purchased for a profit in the future.
6. **Minimum Order Sizes.** The minimum order amount for a single transaction on a non-qualified purchase is \$50,000 U.S. Dollars and \$100,000 U.S. Dollars on qualified purchases. All bullion orders of \$250,000 or more are subject to approval before completion
7. **Order / Trade Pricing.** Pricing is locked in after the funds have cleared and confirmed as received and the trade is placed with the supplier. The trades are generally placed in order after the Purchase Terms and Conditions Agreement is received and as the funds are available.
8. **Purchases.** Customer agrees that purchases are to be made with United States funds only. The parties agree that your placement of a bullion order with us creates a binding legally enforceable agreement in which you agree to purchase your ordered bullion. Once an order is placed, you are obligated to pay for that order in full.
- a. **Total Price.** The total price for this order/trade is \$ _____ U.S. dollars
- b. **Payment Method.** This transaction will be completed by:
- Bank Wire
 - Qualified Transfer/Rollover
 - Personal Check (ten - 10 business day hold prior to placing order) Cashier's Check / Money Order (five - 5 business day hold prior to placing order)
- c. **Bullion Pricing.** The customer understands that the MAGS, INC. price for bullion includes a supplier bid/ask spread, supplier costs, and operating costs, which may be up to twenty percent depending upon the products chosen. Pricing for proof, semi-numismatic, and numismatic coins may be higher. The final pricing for the order is as stated on the invoice. There are no on-going management fees with MAGS, INC.

Customer INITIALS: _____

- d. **Order Liquidation Policy.** When your order is placed, you enter into a binding contractual agreement with MAGS, INC. and agree to remit payment in full to MAGS, INC. 's supplier, MAGS, Inc. International, based on the prevailing market purchase price at the time your order was placed. Should you choose to buy-back your order prior to the date of delivery, we may liquidate your position based on the prevailing market purchase price at the time of buy-back. You will be liable for any difference in the event of market loss. If the prevailing market price of the items has gone up since your order, the supplier will pay you based on the higher prevailing market price for your items.

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- A. **Liquidation of Your Order.** "Liquidation" shall mean converting your bullion order into cash, and it may be done in one of two following ways:
- (1) **Voluntary Liquidation of Your Order (aka "Buy-Back").** At any time after you have fully paid for your order, even if it's before you've received delivery of your bullion, you can sell your order back at the current market rate and with a cost of up to one percent. The metal's authenticity must be validated as part of the buy-back process. The metals on hand must be shipped from the client to the supplier so the supplier can validate/assay it before any monies, based on approval by validation, are sent to the client.
 - (2) **Involuntary Liquidation of Your Order for Non-Payment.** If you fail to make payment in full and on time as stated herein, we shall involuntarily cancel your bullion order as of the 11th business day after your order date. Market loss or gain is calculated as the difference between your original purchase price, and the bullion London Fix closing price on the 11th business day after your order date.
9. **Shipping of Order.** Customer orders are shipped promptly normally via fully insured shipping. Reductions in inventory resulting from an increased demand for certain bullion products and other reasons may delay shipping. Delivery dates vary with supply and demand. The total rate for shipping, handling, and insurance on each order is \$3.00/ounce for gold and \$0.10/ounce for silver.
10. **Authority of Representatives of MAGS, INC.** No representative, employee or agent of MAGS, INC. has the authority to bind MAGS, INC. 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.
11. **Customer Objectives.** Customer acknowledges that the decision to purchase coins and which coins to purchase is ultimately the Customer's alone and MAGS, INC. is not responsible for Customer's decision to purchase item(s). Customer acknowledges that any and all assistance MAGS, INC. may offer to Customer does not create a fiduciary relationship between MAGS, INC. and Customer. Any and all purchases are made subject to Customer's own prudence, judgment and ultimate decision. MAGS, INC. does not provide tax, investment or legal advisory services and no one associated with MAGS, INC. is authorized to render any such advice. Any written or oral statements by MAGS, INC., 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 MAGS, INC. of being coerced to make this investment.

Customer INITIALS: _____ **Representative INITIALS:** _____

12. **Lost or Non-Received Item(s).** If any item is lost or not received by Customer, then Customer must notify their representative immediately. MAGS, INC. will then, in its sole discretion, upon verification the item was lost or not received, and within ninety (90) days of such verification, assist in either refunding to Customer the full purchase price for such lost or non-received item(s) or assist in replacing 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
13. **Bullion 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

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estimated period of time. Customer is aware that MAGS, INC. makes no guarantee or representation that Customer will profit at the expiration of such period of time. Customer acknowledges and agrees that AU does not provide investment advice.

Customer INITIALS: _____

14. **Force Majeure.** Any prevention, delay or stoppage in our performance of any term hereto due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, regulations or controls, the suspension by commodity exchanges in the trading of gold, silver, platinum or palladium futures contracts or the delivery of the commodities underlying such contracts, or the failure or delay of vendors, enemy or hostile governmental action, riot, civil commotion, fire or other casualty, and other causes beyond our control, shall excuse our performance, and extend our performance of our duties and responsibilities hereunder, for a period equal to any such prevention, delay or stoppage.
15. **Volatility of Market.** The success of an investment in bullion is dependent, in part, upon economic forces including supply, demand, domestic and international monetary conditions, inflation and/or hyperinflation. The impact of these forces on the values of bullion cannot be predicted with any certainty. Customer acknowledges that the bullion market can be volatile and that bullion prices may rise or fall over time and that past performance is no indication of future performance. Moreover, bullion is not a suitable investment for anyone seeking current income. MAGS, INC. shall not be liable for loss caused directly or indirectly by any exchange or market ruling, government restriction, or any "force majeure".

Customer INITIALS: _____

16. **Retirement Accounts.** MAGS, INC. has made every effort to comply with current federal laws in connection with bullion which is placed in an IRA. However, MAGS, INC. 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 MAGS, INC. has made no representations regarding the tax impact of bullion held as an investment in an IRA.
17. **California Agreement.** Customer acknowledges and agrees that this Agreement is made and entered into in Los Angeles County, California.
18. **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, or if 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.
19. **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.
20. **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.
21. **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.

22. **Disclaimer of Warranties and Damages.** EXCEPT FOR EXPRESS WARRANTIES CONTAINED HEREIN, WE DISCLAIM ALL IMPLIED WARRANTIES OF EVERY KIND AND NATURE, INCLUDING SPECIFICALLY THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AS TO ALL BULLION SALES. IN NO EVENT, AND UNDER NO LEGAL THEORY, CONTRACT, OR OTHERWISE, SHALL MAGS, INC., ITS PRINCIPALS, ITS DEALER MAGS, INC., 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 MAGS, INC. ADVISES OF THE POSSIBILITY OF SUCH DAMAGES.
23. **Indemnity** to MAGS, INC., CUSTOMER AGREES TO DEFEND, INDEMNIFY AND HOLD MAGS, INC. AND ITS DEALER MAGS, INC. HARMLESS FROM ANY AND ALL LIABILITIES, COSTS AND EXPENSES INCLUDING, WITHOUT LIMITATION, TO ATTORNEYS' FEES AND COSTS RELATED TO OR ARISING FROM ANY UNMAGS, INC. THORIZED 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 AU OR ANY OF ITS SUBSIDIARIES OR AFFILIATES.
24. **Binding Agreement.** The Customer agrees that the placement of a bullion order creates a legally binding agreement in which the Customer agrees to purchase the bullion ordered. Customers may not cancel any order before making a payment in full.
25. **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. MAGS, INC., in its sole discretion, shall be entitled to recover from Customer a 5 % (five percent) cancellation fee. MAGS, INC. shall be entitled to recover any incidental damages MAGS, Inc. incurs by Customer's breach.
26. **Reservations of Right:** In addition to the other rights hereunder, MAGS, INC. reserves the following rights unto MAGS, INC:
 - A. **Right to Refuse Service to Anyone.** MAGS, INC. reserves the right to refuse service to anyone.
 - B. **Right to Correct Erroneous Orders.** MAGS, INC. reserves the right to correct any order for obvious errors or computer-related problems. We will make a good faith effort to notify you of any correction of your order.
 - C. **Right to Cancel Any Pending Sales.** MAGS, INC. reserves the right to cancel any pending sale at any time for any reason. If we exercise this right, we shall cancel your order, including delivery of your bullion, and we shall notify you and refund you all monies you may have paid for your order, less any costs and fees associated with cancelling your order.
 - D. **Right to Require Payment by Bank Wire for Large Orders or During Heavy Trading.** MAGS, INC. reserves the right to require payment by bank wire transfer for large orders, or during periods of heavy bullion trading.
 - E. **Right to change Bullion Terms of Sale.** MAGS, INC. reserves the right to change this Agreement at any time without notice.
27. **Limitation of Liability.** The liability of MAGS, INC. for any bullion sale shall not exceed the amount actually paid by you for the bullion, less the fair market value of such bullion. MAGS, INC. shall not be liable for indirect, incidental, additional, punitive, exemplary or consequential damages, even if we have been advised of the possibility of such damages. MAGS, INC. shall not be liable for any delays or failures in the transmission,

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receipt or execution of orders, payments, deliveries or information due to the incapacity or failure of computer or communications equipment or facilities which are outside our control.

28. **Written Modification / Waiver of Terms.** MAGS, INC. reserves the right to modify or amend the terms of this Agreement at any time without notice. You shall not modify or amend the terms of this Agreement except by prior written agreement with MAGS, INC.
29. **Binding Effect.** All provisions in this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, subject at all times to all provisions and restrictions elsewhere in this Agreement. Except as expressly provided herein, nothing in this Agreement is intended to confer on any person, other than the parties hereto and their respective heirs, personal representatives, successors and assigns, any rights or remedies under or by reason of this Agreement.
30. **Finality of this Writing.** This Agreement is intended by the Parties named herein 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 MAGS, INC. Customer shall not rely on any statement by or on behalf of MAGS, INC. which is inconsistent with this Agreement. MAGS, INC. reserves the right at any time to amend, change, revise, add or modify the terms and conditions set forth in this Agreement.
31. **Governing Law.** This Agreement shall be construed and enforced in accordance with the internal Laws of the State of California. Customer acknowledges that MAGS, INC. 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 held 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.

Customer INITIALS: _____

32. **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.
33. **Provisions.** If any provision of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable by a Court or adjudicating body of competent jurisdiction, such provision shall be modified to the minimum extent necessary to preserve the intent and spirit of this Agreement, and to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.
34. **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.

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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.

I, the Customer, have read and fully understand this Agreement in its entirety. I agree to place the order amount indicated and pay for this order in full.

_____ **Customer**
Signature / Date

_____ **Customer Printed Name**

_____ **Customer**
Signature / Date

_____ **Customer Printed Name**

\$ _____ **Confirmed Order Amount (U.S. Dollars)**

I, the Representative, have read this Agreement with the Customer in its entirety and affirm that the Customer understands this Agreement in full. I have been given the right by the Customer to place the Customer's order as noted herein.

_____ *Representative Signature / Date*

_____ **Representative Printed Name**

**Include a clear copy of the customer's current driver's license or valid government I.D. **



Pricing

Risk Disclosures

Prices charged by MAGS, INC. for bullion is subject to change based on market conditions. There is a difference between the price we purchase our metals at, the "bid" price, and the price we sell our metals at, the "ask" price. This is referred to as the bid/ask spread. Pricing is determined by various factors such as market conditions, product costs, operating costs, availability and demand. To earn a profit on your bullion, your metals must appreciate sufficiently that the buy-back price exceeds the ask price that you paid.

Bullion Pricing

Due to the dynamic nature of the spot market, MAGS, INC. can only provide the price for your purchase of bullion after receipt and verification of funds and the trade has been placed.

Taxes

MAGS, INC. does not provide tax advice and makes no tax representations regarding any purchase or the tax impact of coins held within or outside of an IRA. MAGS, INC. expressly disclaims any responsibility or obligation for any tax impact to you as a result of current or future Internal Revenue Code regulations or interpretations of current law. You should seek independent tax advice regarding any questions you may have.

Buy Back of Purchased Items

MAGS, INC. is a buyer of pre-1933 gold, proof gold, and bullion at the prevailing current market bid/buy price. As our client, when you decide to sell your coins or bullion, we encourage you to give us the first opportunity to liquidate them at the current bid/buy price. We are prohibited by law from guaranteeing to repurchase the coins we sell you. This buy-back policy is not a guarantee and is subject to change without notice. You assume any risk of loss until the items being purchased by MAGS, INC. are actually received by the supplier. Depending upon market conditions and your original purchase price, you may receive less than what you paid for the metals.

Risk of Investment

Although your Representative is always prepared to guide you in selecting your coin portfolio, the final decision concerning what you purchase is yours, and you assume the risk of any and all investment decisions made regarding the precious metal assets you purchase.

MAG Strategies, Inc. makes no guarantee or representation regarding your ability to profit from any purchase. In no event shall MAGS, INC., its employees, representatives, or dealer be held liable for any direct or indirect damages arising from your purchase.

In addition, MAGS, INC. disclaims any express or implied warranties, including any warranty as to the grade or description of any item. Guarantees of grade and MAGS, Inc. authenticity are the responsibility of the third- party grading companies who grade and certify the coins.

Risk Disclosures **Customer INITIALS:** _____

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There are no managed accounts. You assume the responsibility of when to buy and sell. MAGS, INC. does not guarantee the profitability of any purchase, nor does MAGS, INC. guarantee that you will be able to sell any item purchased for a profit in the future. All investments involve risk and the precious metals markets are speculative, unregulated and volatile. Prices for these items may rise or fall over time. MAGS, INC. does not guarantee that any client buying for investment purposes will be able to sell for a profit in the future.

Holding Period

Physical gold assets should be considered a long-term investment. You 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. You should only invest capital that can be held for at least this estimated period of time. MAGS, INC. makes no guarantee or representation that you will profit at the expiration of such period of time.

I, the Customer, have read and fully understand and agree with the risk disclosures in its entirety.

_____ **Customer**
Signature / Date

_____ **Customer Printed Name**

_____ **Customer**
Signature / Date

_____ **Customer Printed Name**

Risk Disclosures

