

# COIN FACTS

For Investors and Collectors to Consider



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# ABOUT GOLDFINE

Goldline, Inc. assists investors and collectors with a full range of precious metals, and numismatic coins. We also provide free information to help investors and collectors choose their acquisitions. Our website contains helpful information such as precious metal spot prices, charts and information for our more popular precious metals products.

Goldline traces its corporate history to 1960. We are proud to have continuously served investors and collectors for more than 60 years. We consider ourselves “market makers,” offering to buy and sell a wide variety of precious metals and numismatic coins on a daily basis.

When acquiring products from Goldline, clients have the option of either taking prompt delivery or storing their acquisitions with an affiliated or independent storage facility (some restrictions may apply).

We are proud of our staff, which includes our Client Concierge and personal Account Executives, who are available to discuss the benefits of precious metals and to provide superior customer service.

With a strong financial footing, Goldline has prospered through recessions as well as booms. Goldline’s financial statements are audited annually by a recognized, independent certified public accounting firm. We are a recognized leader in the precious metals industry and pride ourselves on excellent service and personalized attention to our clients.

We offer precious metals and numismatic coins which are fully guaranteed for authenticity. Goldline provides a seven (7) calendar day, unconditional, money-back refund privilege on your first purchase of precious metals purchased from our company and in some instances longer depending on your state of residence. Please see the section below entitled **Refund Policy** and our Account Agreement for full details.

We are proud of our reputation in the precious metals community. We invite you to check our credentials and our reputation. *Conduct your due diligence before you acquire precious metals and numismatic coins from any dealer. Please also review Goldline’s Account Agreement which provides additional important information. We are confident that Goldline will be your choice for precious metals and numismatic coin.*

# FACTS, RISKS AND POLICIES INVESTORS AND COLLECTORS SHOULD KNOW

## DIVERSIFICATION

Precious metals and numismatic coins can be an important part of a diversified investment portfolio. We believe that precious metals and numismatics are appropriate for 5% to 20% of an investment portfolio (if you choose to invest more than this amount, you should first consult your independent financial advisor before proceeding with your acquisitions). Certain individuals or organizations may recommend a different percentage.

## HOLDING PERIOD

If you are purchasing precious metals or numismatics for investment purposes, they should be considered a long-term investment. We believe that precious metals and numismatics should be held for at least 3 to 5 years, preferably 5 to 10 years, to maximize your potential for gains. Any specific holding period may be affected by current market conditions which may require a longer or shorter holding period. Please see the section below entitled Risk for additional information.

## OUR PRICES

Our prices are set internally based upon our analysis of a variety of factors and are not necessarily tied to the prices quoted by any other organization. Prices are subject to change based on market conditions.

Goldline acts as a dealer and it or its parent

company generally owns the precious metal it buys and sell.

**Price Spreads/Breakeven:** There is a price differential or “spread” between the price a Client pays when it buys precious metals or numismatics from Goldline (the “buy price”) and the price a Client receives when it sells precious the metals or numismatics (the “sale price”). The spread is dollar amount that may be stated as a percentage. The percentage is calculated by subtracting the sale price from the buy price and then dividing the difference by the buy price (buy price– sale price)/sale price.

To illustrate how a spread works, consider the following example: if a Client’s buy price for a coin is \$500 and the sale price for the coin on the date of purchase is \$400, the difference between the buy price and the sell price for the coin is \$100 ( $\$500 - \$400 = \$100$ ). In this example, in order to break even, the sale price for the coin will need to increase by \$100, or 25% ( $\$500 - \$400 = \$100 / \$400 = 25\%$ ), excluding any fees and other costs.

## IRA ACCOUNTS

Goldline may refer clients to companies that provide trustee and custodian services for Individual Retirement Accounts (IRA). Goldline is independent from, and not affiliated with, any of these IRA companies. The client is responsible for independently selecting the IRA company suitable for the

client. Goldline does not share or assume responsibility for any loss or damage resulting from the client's relationship with the IRA company.

Goldline does not believe clients should invest more than 5% to 20% of their retirement assets/portfolio (which may include a variety of asset classes including IRAs, 401(k)s, real estate, stocks, bonds and other investments) in precious metals and numismatic coins, although other organizations and individuals may recommend different percentages. You must determine the proper percentage of precious metals and numismatic coins to allocate in and outside of an IRA based upon your individual circumstances.

Only certain bullion coins and bars and proof coins may be held in a precious metals IRA. Tax laws are complex and may change at any time. Goldline does not provide tax advice. You should consult with your tax advisor about whether including precious metals in your IRA is right for you.

#### **LIQUIDATION/BUYBACK POLICY**

When you decide to sell your precious metals, we appreciate the opportunity to arrange for an offer purchase from an affiliate, at the then current buyback price. We are familiar with the quality and marketability of the items we sell and do not charge any additional fees or commissions. Depending upon market conditions and your original purchase price, you may receive less than what you paid for the precious metals and numismatics.

The law prohibits us from guaranteeing to repurchase the precious metals we sell,

although we have always made buy-sell markets in the precious metals we offer or make similar arrangements with affiliates to do so. Therefore, our buyback policy is not a guarantee and is subject to change without notice.

Liquidation requests may be made to your Account Executive or by calling Client Relations at 800-280-5082. You may also contact Client Relations via email at [clientconcierge@goldline.com](mailto:clientconcierge@goldline.com). Liquidations are handled by a Goldline affiliate.

Please contact Goldline for packaging, shipping and address requirements prior to sending any precious metals or numismatic coins to Goldline's affiliate.

Please see the section entitled **Liquidity** for more information regarding the sale of precious metals and numismatic coins.

#### **DELIVERY**

All packages shipped to our clients are insured until good delivery is made. Our preferred shipping carrier is UPS and all shipments are under a security level watch while in transit. Your acquisitions will be delivered no later than twenty-eight (28) calendar days of receipt of good funds (unless your State requires a different delivery period).

If a shipment is lost or damaged prior to delivery at your shipping address, Goldline will, at Goldline's option, either replace the items or refund your purchase price. Please inspect the shipment thoroughly upon receipt to ensure you have received your order, and that the items track the description on your delivery invoice. Any variance from your order must be reported

within five (5) calendar days of receipt of your shipment, and you must have all original packing materials intact. Any claim beyond this time period may be denied. Goldline may charge a shipping and handling fee for shipments, including shipments to independent IRA custodians. The amount of this fee, if any, will be identified at the time your order is confirmed.

## **STORAGE**

Goldline stores client holdings in an affiliated or independent depository of its choice and may change depositories without prior notice. Goldline may store your holdings with those of other clients and acknowledges that you own a specific, but undivided interest in such holdings to the extent of the quantity and type you have purchased. A fee is charged for storage. Details and limitations can be found in Goldline's Account Agreement.

## **CREDIT CARD PURCHASES**

Goldline accepts payment by credit cards as a convenience to its clients. However, we believe that you should not go into credit card debt to make a purchase with Goldline.

## **RISK**

All investments involve risk and precious metals are no exception. The precious metals market is speculative, unregulated and volatile, and prices for these items may rise or fall over time.

Goldline generally classifies coins as bullion or numismatic. Some coins may fall within more than one category, depending on their specific grade or condition. Other dealers and organizations may define these terms or classify these coins differently.

Precious metals generally have a premium above their melt value. Premiums may increase or decrease based upon current market conditions such as supply and demand. Changes in premiums may affect a precious metal's pricing beyond changes in spot prices.

Precious metals can go down in value as well as up in value. Precious metals may not be suitable for everyone. Goldline is not responsible nor does it determine the suitability of any specific person to purchase precious metals. You should consult with your independent financial advisor regarding whether such an investment is right for you. You should not acquire any products from Goldline if you are not competent or qualified to make your own financial decisions. You should obtain a thorough understanding of the precious metals products before you acquire these products as a collector or investor.

The investment value of precious metals depends in large part on the price you pay. If you are acquiring any of Goldline's products as an investment, you should evaluate its current market value, potential for appreciation and liquidity, and consult independent sources regarding these factors. Goldline does not guarantee that any client will be able to sell precious metals at the original purchase price or a higher price in the future. Since precious metals can decline in value, you should have adequate cash reserves and disposable income before considering acquiring precious metals.

We believe you should not acquire precious metals with funds generated through early withdrawal from accounts or securities which may result in substantial penalties or fees. You should consult with your independent

financial advisor before disposing of any security, annuity, Certificate of Deposit or other investment to acquire precious metals.

Goldline is not responsible for any changes in tax laws or other statutes which may affect any profit or salability of your coins.

### **SWAP TRANSACTIONS**

Goldline does not recommend exchanging precious metals or numismatic coins (trading one product for another) unless you fully understand the costs involved in the buy and the sell transactions. Among other things, you should consider the spread for each item involved in any exchange transaction (since you must overcome both spreads before you make a profit), and any potential tax consequences of the exchange. We believe no one can tell with certainty that one product is going to outperform another. You should independently decide whether this type of transaction is appropriate for you.

### **REFUND POLICY**

For your protection and convenience, Goldline provides clients with the right to a refund on their first purchase without any reason whatsoever. To receive a refund, the client must notify Goldline of his or her cancellation of their first transaction within seven (7) calendar days from the date of order. By way of example, if a client's first order is placed on May 1, the client may cancel the order up to and including May 7. Notices of cancellation may be provided by speaking directly with an Account Executive; calling Client Relations at 800-280-5082; via U.S. Mail at 11835 W. Olympic Blvd Suite 500 Los Angeles, CA 900064 (or

other address that Goldline may specify in writing); facsimile at 310-319-0265; or email at [clientconcierge@goldline.com](mailto:clientconcierge@goldline.com). All notices of cancellation must be provided no later than the last day of the refund period. All other transactions are final upon taped confirmation by a Goldline representative and are not subject to cancellation. **(Your state may have additional refund and cancellation rules which supersede Goldline's refund policy above. Please consult Goldline's Account Agreement as well as the terms and conditions set forth on the back of your trade confirmation for specific rules which may apply to your purchase.)**

If you do not pay for your order and do not have a right to cancel, Goldline may, at its option, liquidate a portion of your stored holdings and apply the proceeds to your unpaid order in accordance with Goldline's Account Agreement. In addition, Goldline may not repurchase your coins.

### **CONCIERGE**

Goldline's Client Relations team members are your personal concierge and are available to answer any questions or concerns you may have. In addition to speaking with your Account Executive, you may also contact Client Relations regarding refunds, liquidations, concerns or complaints. You can reach a Client Relations team member at 800-280-5082 or via email at [clientconcierge@goldline.com](mailto:clientconcierge@goldline.com).

## ACCOUNT EXECUTIVES

The Account Executives at Goldline are generally commissioned salespersons. Their work experience, knowledge, background and training vary widely. They and/or Goldline may receive, from time to time, undisclosed compensation for selling specific precious metals (including but not limited to contests, cooperative advertising and trading profits in coins that they may own and/or sell). **Goldline's employees are not licensed as investment advisors and, accordingly, do not make any recommendations regarding client investments. The only products which Goldline employees are authorized to sell are the products specifically sold by Goldline.** Check with a licensed professional with expertise in a particular market before making a decision to buy or sell any security, bond, annuity or financial instrument. Further, Account Executives are not tax advisors and may not provide any advice regarding taxability, tax rates or related issues for any product Goldline sells. You should consult with your tax advisor regarding any questions about the tax implications of buying or selling bullion or numismatic coins.

## LIQUIDITY

Of the products that we buy and sell, bullion and bullion coins generally are more liquid than numismatic coins. Goldline may not provide a buyback price on certain numismatic coins. Sometimes, because of its market influence, when Goldline reduces or stops selling certain coins, their price may drop.

## GRADING AND WARRANTIES

Our company uses the numerical Mint State (MS) grading system which rates uncirculated coins from MS-60 to MS-70.

Typically, the higher the grade, the more a coin is worth. The grade assigned to a coin reflects its strike, luster, marks, scratches and overall eye appeal. Grading is a subjective art and subject to the opinion of the person grading the. Thus, grading can and does vary from numismatic coin firm to numismatic coin firm, from grading service to grading service, and from expert to expert. A difference of one grade (e.g., MS64 to MS65) can result in a significant change in the valuation of a numismatic coin. Grading standards may continue to change, becoming more or less stringent. Grades and descriptions of numismatic coins are opinions, not statements of fact or guarantees, and are based on standards and interpretations that can and do change over time.

When you acquire a coin from Goldline that is independently graded by a third-party grading service such as Professional Coin Grading Service (PCGS) or Numismatic Guaranty Corporation (NGC), Goldline relies entirely on the expertise/determination of the grading service. In addition, we rely upon definitions provided by these independent grading services, including definitions of such terms as PCGS' "First Strike®" which refers to coins packaged and delivered by the U.S. Mint in the thirty (30)-day period following the initial sales date of a new product. We do not re-grade or independently evaluate the product's grade in its sealed holder, although from time to time Goldline does remove products from their sealed holder and re-submit them to



the grading services. Goldline reserves the right to deliver independently graded coins that have been graded by an independent grading service of Goldline's choice such as PCGS or NGC. Goldline guarantees that the numismatic coins and precious metals it sells are genuine. *Goldline expressly disclaims any other warranties with respect to coins or precious metals, express or implied, including the implied warranties of merchantability and fitness for a particular purpose.* See our Account Agreement for a full disclaimer of warranties.

### **GROWTH PROJECTIONS**

Goldline may inform clients about forecasts made by third parties regarding the future prices of precious metals. There is no assurance that any growth projection will be achieved and it is also possible for prices to decline. We do not guarantee any forecast or projection, but we strive to provide you with analysis that we believe is well-reasoned.

You should also know that different market factors may influence the price of a specific precious metal. For example, the price of a numismatic coin may be affected by such factors as grade, scarcity and demand in the marketplace, while the price of a bullion coin is closely tied to the spot market for that coin. Past performance and growth projections for a specific precious metal or type of precious metal may not apply to other types of precious metals that Goldline may offer.

### **ACCOUNT AGREEMENT**

Goldline's Account Agreement sets forth the terms and conditions of your transactions with Goldline. Please review this agreement carefully before you sign and return it to

Goldline. For your convenience, you may review the Account Agreement online at [www.goldline.com](http://www.goldline.com).

### **FOR YOUR PROTECTION**

Your privacy is important to us. If at any time you no longer wish to be contacted by a Goldline representative, please call or write to us and ask to be placed on our Do Not Call list.

If at any time you receive information that is inconsistent or contrary to the information contained in this booklet or Goldline's Account Agreement, you should immediately contact Goldline's Client Relations Department at 800-280-5082. Please do not proceed with any transaction until your questions or concerns have been fully answered.

Please make all payments payable to Goldline, Inc. Please do not send cash. Your payment options are as follows: bank wire, cashier's check, personal check, ACH and credit card. Please do not send money orders or traveler's checks.

Please promptly notify us in writing if you change your address, and include a signature guarantee or notarized letter, along with a copy of your driver's license or utility bill. Be sure to include your account number and to sign all correspondence.

For account title changes (e.g., trust or business account), please contact your Account Executive or Goldline's Client Relations Department at 800-280-5082.

This risk/disclosure booklet is updated periodically. It is the responsibility of the client to keep up-to-date by either requesting

a copy, or by checking our website at [www.goldline.com](http://www.goldline.com).

### **MONITORING/RECORDING OF CALLS**

Telephone calls may be monitored and/or recorded in an effort to assure quality control and policy compliance. Thus, when speaking with a Goldline representative, you understand and agree that every telephone conversation between you and Goldline - whether you place a call to Goldline or a Goldline representative calls you - is subject to monitoring and/or recording. You agree and consent to have your calls with any Goldline representative monitored and/or recorded without further notice or the requirement of additional consent or agreement from you. You consent to monitoring and/or recording of your telephone conversations with any Goldline representative by appropriate Goldline

personnel and authorized outside third-party monitors. You acknowledge that you do not have a reasonable expectation of privacy during any of your telephone conversations with any Goldline representative. You further understand and agree, with respect to the potential monitoring and/or recording of all of your telephone calls, that you expressly waive the right to assert at any time that any conversation between you and any Goldline representative are or were confidential or private. Unless otherwise agreed by Goldline in writing, Goldline does not consent to the recording of telephone conversations by you or any third party. You understand that not all telephone lines or calls are recorded and Goldline does not guarantee that any recordings of any particular telephone calls will be retained or be capable of being retrieved.

### **SUMMARY**

We strongly recommend that you acquire a sound understanding of precious metals markets before you make your first purchase. Be prepared to invest some time and effort into understanding the market. Do not commit more than 5% to 20% of your investment funds to precious metals. Manage your future with a diversified portfolio that meets your objectives for safety, liquidity and growth. Be prepared to hold your precious metals for a minimum of 3 to 5 years, recognizing that all markets have their ups and downs. Perform your due diligence and let reason and common sense be your guide.



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