



BULLION Advisors Group

RISK DISCLOSURE STATEMENT

RISK DISCLOSURE STATEMENT – Although you represent you are a professional and therefore are most probably aware of the many risks associated with trading precious metals, we are providing you with the following information in an effort to insure you are thinking about some of the risks we believe can be the most troublesome. Of course there are many other risks in trading precious metals in addition to those presented below.

A. Risks Associated with Buying metals from Bullion Advisors Group (and / or Others)

1. A customer to whom you resold precious metals purchased from Bullion Advisors Group, but you didn't receive funds for the sale of precious metals could default when precious metals are collapsing in price leaving you with an unanticipated loss.
2. If you bought precious metals from Bullion Advisors Group but are hedged by having a short position elsewhere and the precious metals price collapses and the parties carrying your short default, you could sustain large losses.
3. It is possible that when re-selling precious metals bought from Bullion Advisors Group, your customer could give you a bad, stolen or counterfeit personal / company / cashiers / certified check – sticking you with the loss.

B. Risks Associated with Selling Metals to Bullion Advisors Group (and / or Others)

1. You could accidentally purchase "bad metal" from a customer and unknowingly re-sell it to Bullion Advisors Group. Then, if it turned out the metal was bad, you would have to replace it with the correct quality and, if your customer does not replace the metal, you would be forced to absorb the loss.
2. By trusting a customer to deliver to you metal you have re-sold to us, you take the responsibility of delivering the metal to Bullion Advisors Group, regardless of whether your customer defaults on you.
3. If you decide to ship us metal that you have sold to us, and the metal is lost or stolen in transit, you will still have to deliver the metal to Bullion Advisors Group on time and this, depending on your insurance, could cause you a substantial loss.

C. General Risks

1. Because of the volatility of precious metals, there is a good chance the price of precious metals will drastically fluctuate. (For example, gold could fall to \$5 per lb. if a mountain of pure gold was found or if a scientist discovered how to manufacture gold – the old alchemist's dream).
2. Under certain market conditions, it may be difficult or impossible to liquidate⁴ (sell) or cover (buy) in your positions. This difficulty could occur because of disruptions in telecommunications or commodity exchange operations or because of dramatic increases in business that could temporarily overflow back offices and therefore lessen the efficiency of precious metals firms to service their customers.



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3. The high degree of leverage that is often obtainable in metals trading can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

4. If you do not meet our call for margin in a timely manner with good funds, all or a portion of your position could be liquidated, causing your hedging strategy to be materially upset.

ALTHOUGH WE HAVE OUTLINED ABOVE SOME OF THE RISK ASSOCIATED WITH TRADING PRECIOUS METALS, YOU AND YOUR STAFF SHOULD CONSTANTLY AND CAREFULLY STUDY AND MONITOR ALL ASPECTS OF PRECIOUS METALS TRADING.

I (Printed Name) _____ fully understand the risk associated with trading precious metals.

Company Name: _____

Signature: _____