



Quidnum - Aurum - Sceptum

KASTLE & HAWKE INC

PRECIOUS METALS BROKER-DEALER

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CLIENT ACCOUNT APPLICATION AND AGREEMENT



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RISK FACTORS AND DISCLOSURE STATEMENT

The ownership of physical precious metals for investment purposes can be made in many ways. The following represents some, but not all, areas of risk and costs that are inherent of same and such should be evaluated and considered before making any investment.

Market Fluctuations and risk of loss:

As with any investment the price of precious metals may change daily and there are absolutely no guarantees that the price you pay in total will ever be exceeded in order to provide you with the opportunity to sell at a profit. Upon entering the market, the risk of loss is borne solely by the client. Only those individuals who are capable of sustaining a financial loss should consider these investments.

Stagnation and Opportunity Cost:

The only way to convert your investment dollars in precious metals to cash is by selling. Therefore there is a cost which the loss of interest which those dollars would earn if left in interest bearing instruments. In order to offset the loss of interest income, the price must therefore move greater than the percentage of interest income.

Administrative costs:

Brokerage's are in the business of providing various services to a client for compensation. These services are both immediate and can be ongoing. You will be charged an administrative fee from ten to fifteen percent of total metal value on new purchases only. No fees on sales. This represents the ONLY time fees will be applied to this particular equity; regardless of additional trading, for a period of FIVE years. Additional fees are only levied when changing markets, excess equity trades and additional funds.

Purchase price:

The purchase price for your precious metals as specified by either KASTLE & HAWKE INC or any Independent Wholesaler will include a mark-up by the wholesaler over the price on the exchange. While the purchase price shall be related to the then-existing 'spot' price as quoted on the exchange, the price you pay for your investments will almost always be more than the contract quoted for these products.

Transactions:

Client understands that each transaction by the client is a purchase or sale of physical Precious Metals for immediate delivery and is not a Futures Contract, Option on a Futures Contract or securities transaction. The choice of payment in full or the use of Collateralized Financing is that of the client. Purchases for home delivery must be paid in full; including all related costs, prior to shipping. Customer has the intent, but not the obligation, to take home delivery. All conversations between the client and KASTLE & HAWKE INC may be recorded. All orders (purchase or sale) placed by the client are FINAL and therefore not subject to cancellation or modification, unless mutually agreed to in writing by the client and KASTLE & HAWKE INC. You will receive monthly statements, by mail and in a timely manner.

Delivery Charges:

Physical precious metals can be delivered directly to your designated point of delivery. This could be to a depository which provides insured non-segregated storage. Most home deliveries are usually drop-shipped via registered insured mail and are subject to handling fees, postage and insurance. Please consult your broker when you are ready to take home delivery for costs.



Financing:

Most recognized depositories also provide a financing service, which allows a client to borrow approximately 80% of the total value of their precious metal investments which are also in the non-segregated depository facilities of the lending institution. Essentially working like a credit line facility for you. The physical Precious Metal is the security. [Very similar to how your stock brokerage works]. Interest rates; currently 4.5% above Prime, and various fees will vary from one institution to another.

All clients wishing to make use of the financing need to clearly understand the following:

1. Should the value of the product decline, the lending institution reserves the right to demand either a principal loan reduction or the provision of additional and acceptable collateral.
2. The lending institution also reserves the right to liquidate all or part of the product acting as collateral for the financing without any prior notice to the client.
3. The ongoing cost of borrowing (interest charges and fees) will increase the break-even of the product purchased. Therefore purchases which are financed must increase in price sufficient enough to offset the cost of borrowing, before an actual profit can be generated from a sale.
4. Leverage is a two-way sword and increased risk is created by such financing.
5. There are no guarantees that clients will be able to resell their holdings for an amount equal to or greater than the unpaid balance due the lending institution and the borrower is responsible for any and all deficiencies. It is therefore possible to lose or gain more than the amount of the purchasers initial investment when financing is used.

Liquidity:

Investors should note that on any given day exchanges trading in precious metals can restrict, halt and even suspend trading; for any number of reasons. Such as force majeure.

When such situations occur, it may be difficult or impossible to purchase or sell precious metals or to know when the market will resume trading again. Although KASTLE & HAWKE INC makes every effort as a broker-dealer to provide our clients with the ability to purchase and sell; we obviously cannot guarantee access to markets for either purpose. Also any product sold to a third party, may be required by that third party to subject the product to assay and inspection at the owners expense.

Compliance:

For our mutual protection it is our policy that all phone calls may be recorded and/or monitored at any time. It is also our policy that all orders for the purchase and sale of precious metals be verified with our Compliance Dept. You will be asked a series of questions, requiring answers from you. Asking whether you understand the transaction; risks involved, administrative fees and other pertinent questions regarding your account. Your conversation shall be recorded. This is a method by which you control all trading decisions.

Tax Considerations:

KASTLE & HAWKE INC cannot provide tax advice. That is the purview of your Tax Advisor.

Independent Introducing Broker:

Clients who choose to do business with KASTLE & HAWKE INC should fully understand that we are an Independent Introducing Broker, and not agents and/or employees of any Independent Wholesaler. The client is selecting KASTLE & HAWKE INC as its Independent Introducing Broker and the client will provide to the company full power of attorney to act on his behalf with any independent wholesaler.

The CLIENT herein acknowledges that the CLIENT alone is responsible for all decisions made by him regardless of any representations or recommendations made by KASTLE & HAWKE INC and/ or its brokers.



Privacy Policy. AML and The Patriot Act:

It is our policy not to disclose your personal information to any third parties except as required by law or requested by you. We will at all times comply with the governments policies on AML and so require photo identification with a current address (drivers license, state identity card, utility bills as may be required.) to open an account. This information is also necessary to comply with the USA Patriot Act which all financial institutions have had to be in full compliance since October 1st 2004. Your co-operation is appreciated.

Arbitration with Governing Law and Venue:

The parties to this agreement do hereby agree that any disputes relating to this account will be submitted to binding arbitration. The venue for any such arbitration shall be exclusive in the State of Florida and all parties agree that any arbitration award entered shall be binding and convertible to a State of Florida judgment, subject to the laws of the State of Florida and further subject to any modifications thereof and permissible there under. The parties hereby accordingly waive their right to any other remedy or to proceed with any other type of action whatsoever, and further hereby wave jurisdiction and venue. This account and the activities contemplated hereunder shall be governed by the substantive and procedural laws of Broward County, the State of Florida without respect to Florida conflict of law rules and venue of any dispute resolution shall likewise be in Broward County, the State of Florida without respect to Florida conflict of law rules.

Acknowledgement:

I have read and understood the foregoing risk factors and disclosures related to investing in precious metals investments.

Print Name

Print name

Signature

Signature

Date

Date



ACCOUNT APPLICATION

In order to establish an account with KASTLE & HAWKE INC all information requested below is required. Such shall be held in the strictest confidence. See our Privacy Policy. PLEASE PRINT.

Type of account requested (please check one) - Individual Joint Tenants with Right of Survivorship
 Tenants in Common Partnership Corporation Other _____

Client's Full Name(s): _____
(Partnership, Joint Accounts; names of all parties and their signatures are required)

Date of Birth: _____ Male/Female: _____ Marital Status: _____ Citizenship: _____

Social Security/Tax I.D.# _____ Social Security/Tax I.D.# (2nd party): _____

Home Address: Own Rent _____

City: _____ State: _____ Zip: _____ Home Tel: _____ Cell: _____

Employer: _____ Type of Business: _____ Position: _____

Business Address: [No P.O. Boxes] _____

City: _____ State: _____ Zip: _____ Business Phone: _____
(Send confirmations, and Statements to Home Business)

Education completed: HS Undergraduate Graduate Other: _____

Spouses Name: _____ Employer: _____ Address: _____

Approximate Net Worth: _____ Liquid Net Worth: _____ Cash Reserves: _____

Years of Investment Experience In the Following. Please Indicate Number of Years:-

Precious Metals Mutual Funds Commodities Stocks Bonds Real Estate CD

Have you ever had a Margin Account with a Stock Firm? Yes/ No Open or closed? _____

Client Acknowledgment:

By signing below, Client(s) represents and warrants that Client(s) is not a Foreign Shell Bank, as defined in Section 313 of the USA Patriot Act or the rules promulgated there under, and is not being used by a foreign bank to indirectly provide banking services to another foreign bank that does not have a physical presence in any country. You also acknowledge that KASTLE & HAWKE INC is relying on this information to approve your account, and that all information is true and correct.

Client Signature / Date

Client Signature/ Date

Approved by Introducing Broker:

Title: _____ Date: _____



APPOINTMENT OF AGENT/BROKER/REPRESENTATIVE

I/We hereby authorize KASTLE & HAWKE, INC to accept instructions as my/our agent, broker of record and legal representative. I/We understand that such representative of record will be acting as my/our agent/broker/attorney in fact, in connection with the transaction with any Independent Wholesaler.

This authorization permits KASTLE & HAWK, INC acting on my/our behalf to: purchase, sell, arrange loans, credit facilities, handle funds and products arising from such purchase, in connection with all accounts existing and opened by me/us with any Independent Wholesaler.

I/We agree that until revoked, and except as KASTLE & HAWKE, INC may otherwise determine, communication between me/us and any Independent Wholesaler will be through KASTLE & HAWK, INC as my/our agent, broker/attorney in fact, of record and representative. I/We further agree that KASTLE & HAWKE, INC shall be entitled to a copy of my/our monthly statements; to better service the account, and any communication to the client(s), whether verbal or in writing from any Independent Wholesaler. Revocation will only be accepted by KASTLE & HAWKE, INC and any Independent Wholesaler in written form, and only upon receipt of such revocation.

I/We understand and hereby certify that I/We are relying on KASTLE & HAWKE, INC to carry out its function on my/our behalf in a fair and honest manner, and in accordance with just and equitable trade practices. I/We agree that in the case where the account holder(s) cannot be reached for instructions, I/We grant KASTLE & HAWKE, INC my/our complete authority to act in my/our best interests as a fiduciary, without any recourse whatsoever. I/We further represent that I/We are satisfied that KASTLE & HAWKE, INC will perform their functions in such a manner, and I/We accept all risks associated with this appointment.

Acknowledgment:

I/we hereby certify that the foregoing information is accurate.

Client Signature

Client Signature

Date

Date



ADMINISTRATIVE FEE SCHEDULE

[Effective until further notice]

SPECIFICATIONS.: ONE (1) UNIT represents -

- 10 oz in GOLD BULLION**
- 1,000 oz in SILVER BULLION**
- 10 oz in PLATINUM BULLION**
- 50 oz in PALLADIUM BULLION**

ADMINISTRATIVE FEES:

You will be charged an Administrative fee from ten to fifteen percent of total metal value on new purchases only. This represents the **ONLY** time fees will be applied to this particular equity; regardless of additional trading, for a period of **FIVE** years. No fees on sales. Additional fees are only levied when changing markets, excess equity trades and additional funds. These new trades also being 'one time' fee only.

The Administrative fee is levied in connection with KASTLE & HAWKE INC's acceptance to act in the capacity of agent/broker of record/representative of the client, to purchase, sell, arrange loans, credit facilities; handle funds and products arising from such purchase and sales, in connection with all accounts existing and opened with an Independent Wholesaler is as follows:

For physical Precious Metals purchased in **UNITS** of:

1-19	15% (of Total Metal Value)
20-49	12%
50+	10%

Note: The number of UNITS purchased by Client will be aggregated, in order to discount the Administrative fee on all subsequent purchases. This is applicable to **NEW** purchases only.

[**] For clients who wish to take physical delivery at the time of establishing their account with an Independent Wholesaler, the Administrative fee will be 5% of the Total Metal Value.

OTHER FEES:

In addition a flat fee in the amount of two hundred dollars (\$200) will be charged to the client upon opening his/her account with KASTLE & HAWKE INC. This fee will be applied to the charges which are required to establish an account with an Independent Wholesaler.

ACKNOWLEDGMENT:

I hereby acknowledge that I have read the 'Risk Factors and Disclosure Statement' and the KASTLE & HAWKE INC, Administrative Fee Schedule above. I understand the concept of purchasing physical Precious Metals, either by taking home delivery [**] and/or the Leveraged Purchase Program.

Signature

Signature

Date

Date



HOW-TO GET STARTED AND HOW-TO FUND YOUR PRECIOUS METALS ACCOUNT

1. Please complete [in print form] the information as asked and sign where indicated. For Joint Accounts, all parties must sign where indicated.
2. Mail your complete Account Application and Agreement, a photocopy of your driver's license or other photo I.D., to KASTLE & HAWKE, INC in the envelope provided. A copy of all your paperwork may be faxed to expedite the process. Client agrees that faxed signatures and information have the same legal standing as any originals.
3. Ensure that you have written your home/return address on the top left-hand-side of the envelope and have AFFIXED SUFFICIENT POSTAGE.
4. It is recommended that you obtain a 'tracking number' from the USPS.

FUNDING.

After consultation with your broker, and you have decided on the amount of the investment, you may fund your physical Precious Metals account in two ways:

Checks:

A *Certified Check* only, payable to 'KASTLE & HAWKE, INC' is considered 'cleared funds' and allows you to trade immediately.

Bank/Cashier checks payable to 'KASTLE & HAWKE, INC' will have to be verified and this may take several days.

Personal checks payable to 'KASTLE & HAWKE, INC' may require up to 21 days for bank clearance.

Bank Wires:

Are 'cleared funds' and you may trade immediately.

Please contact your broker for instructions.

