
Gold Pricing Analysis

Scrap Gold Brokers

October 19, 2009

Competitive Pricing Analysis

By
Scrap Gold Brokers

October 19, 2009

Dear Scrap Gold Brokers Customer:

We have completed our analysis of Scrap Gold Brokers ("SGB") pricing model for the purchase of gold quantities less than one ounce, as it compares directly to its competitors. The purpose of this analysis was to help the company

- Identify SGB's direct competitors.
- Compare SGB's pricing model to that of its competitors, when purchasing amounts of less than one ounce.
- Evaluate and summarize the results.

Identifying SGB's Competitors

To identify key competitors in the market who use a similar pricing model, we performed various online searches using key words found in the industry. In doing this we found that SGB has many competitors.

Competitors Selection Process

We then narrowed these results down to the top four competitors who we felt most closely matched SGB's pricing model. These companies are:

- Goldpaq.com
- Goldkit.com
- Cash4gold.com
- Waltknowsgold.com

Preparing the Gold Kits to be sent

Using gold and silver obtained by SGB, five identical packets were prepared. Each packet contained: One 14k Gold Chain weighing 1.3 grams and One Sterling Silver Chain weighing 11.3 grams. We identified and weighed each item, place them into a sealed bag and held each packet in a secure location until shipping.

Each of the four competitors listed above received one of these packets. A fifth packet was retained by us in order to test and document the weight and karat.

Price Comparison

We requested gold submission kits from each of the four competitor's websites. Using the samples provided by SGB, we prepared each packet according to the instruction provided by the individual company and independently mailed each package to the competitor.

The value of gold changes daily. Accordingly, we compared the payout amounts received from each of the competitors to the price SGB would have paid using the payment date of the check received from the competitor.

Scrap Gold Brokers Pricing

SGB bases their payout price on percentage of the daily spot value of the precious metal. We captured these spot values and compared them with the calculate payout prices published by SGB on the payout dates of the competitor payments. The comparison showed no difference in price between our calculation and the price used by SGB.

The Results

All of the gold kits were mailed on September 29th, 2009. The following are the results of the settlement payments we received from the competitors, compared to the same day published price offered by SGB.

Competitor	Payment Date	Payment Received	SGB Published Price	Difference
GoldPaq.com	09/30/2009	\$3.11	\$8.88	\$5.77
GoldKit.com	10/06/2009	\$3.20	\$9.11	\$5.91
Cash4gold.com	10/09/2009	\$5.22*	\$9.50	\$4.29
Waltknowsgold.com	10/09/2009	\$0.00**	\$9.50	N/A
Average Pricing		\$3.84	\$9.16	\$5.32

** The payment from Cash4Gold has been adjusted downward to normalize the results for a 20% bonus price that was temporarily in effect at the time of our analysis.*

*** Waltknowsgold.com did not send a quote or payment. Instead, they sent a letter back saying "We have evaluated all of your items and unfortunately none of them contain any gold or platinum. As a result we cannot make you any offer and have enclosed the original content of your package."*

Based on the gold pricing model for less than one ounce, we found that SGB pays out **182% to 285% more** than the payments received from each of the competitors listed above.

Sincerely,

SGB Research Staff



Gold Pricing Analysis Verification

CFO ADVANTAGE
CONSULTING, L.C.

November 9, 2009

CFO ADVANTAGE CONSULTING, L.C.

Highland, UT

November 9, 2009

Owners and Management
Scrap Gold Brokers
Orem, Utah

Verification of Results

As Independent Consultants, we have examined the supporting documents, information and processes referenced in the Competitive Pricing Analysis performed by the research staff of Scrap Gold Brokers dated October 19, 2009. We verify without exception that the results and information disclosed in the Competitive Pricing Analysis are accurate. Following are the results of the analysis, based on the payout payments received, as compared to the daily published pricing of Scrap Gold Brokers:

Competitor	Payment Date	Payment Received	SGB Payout Price	Difference
GoldPaq.com	09/30/2009	\$3.11	\$8.88	\$5.77
GoldKit.com	10/06/2009	\$3.20	\$9.11	\$5.91
Cash4gold.com	10/09/2009	\$5.22*	\$9.50	\$4.29
Waltknowsgold.com	10/09/2009	\$0.00**	\$9.50	N/A
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Based on this analysis of gold pricing, for quantities less than 1 ounce, we noted that the Scrap Gold Brokers pricing model produced a payout of **182% to 285% higher** than the settlement payments from each of the selected competitors.

Sincerely,

CFO Advantage Consulting, L.C.
Highland, Utah