

**GoldFellow, LLC**

**Report on Analysis of Gold Pricing**

**April 15, 2009**



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GoldFellow, LLC  
Weston, Florida 33326

We are pleased to report the completion of our analysis of your pricing model for the purchase of gold quantities of less than 20-Dwt (1 Troy Ounce), as it compares to your direct competitors. The purpose of our engagement was to help you:

- Identify direct competitors in the current market place.
- Compare your pricing model to that of your competitors for the purchase of gold in quantities of less than 20-Dwt.
- Evaluate the results of our procedures performed.

### **Defining the Competitors**

In order to determine the direct competitors in the market that we believe use similar business models, we performed a search on Google using the following search criteria: “Cash4Gold”, “Sell your gold”, “Cash for gold”, “Sell my gold”, and “Get gold cash”.

As a result of this search we identified eighteen possible competitors that purchase gold using an internet based company.

## **Selection of Competitors for Pricing Comparison**

Based on discussions with management and our review of the eighteen companies identified, we selected seven companies that we believe have a closely related business model. Our selection process was based on brand marketing, name recognition and a similar method for processing gold and as well as procedures for final settlement. The companies included in our selection were as follows:

- Dollars4Gold.com
- GoldPaq.com
- GoldKit.com
- BrokenGold.com
- GetGoldCash.com
- Cash4Gold.com
- CashforGoldUSA.com

## **Preparation of Gold Packs sent to Identified Competitors**

Using gold pieces that had been purchased by GoldFellow, management prepared seven identical quantities of gold that we used to mail to each of the identified competitors.

Each package prepared contained 10-Dwt of 14K gold and 5-Dwt of 10K gold, for a total quantity of approximately 0.75 ounces of karat gold.

Prior to mailing we observed management weigh each package by karat and place the items in a sealed bag, which we held until mailing. Additionally, we selected one sample package and verified the gold content and weight using a X.R.F. Spectrometer and certified scale. This testing produced identical results to management assertion of gold karats and quantities.

## **Comparison of Pricing**

Through the identified competitor's websites, we requested their gold packs. Using the gold quantities provided by management, we prepared each of the packages according to the company's instructions and independently mailed these packages to the identified competitors.

Because the price for gold changes on a daily basis we compared the settlement amounts offered by each of the competitors based on the check date, to the daily pricing published on GoldFellow's website for the same day.

## GoldFellow Pricing

The GoldFellow pricing is based on the daily PM London Gold Fixed price. Using this pricing we recomputed the GoldFellow daily rate by gold karat and quantity and compared these recalculated prices to the rates published on GoldFellow's website. This comparison did not note any differences in pricing between our calculations and the posted prices on the website.

## Evaluation of Results

All of the gold packs were mailed on March 30, 2009. The following are the results of our comparison based on the settlement offers we received, as compared to the daily published pricing on the GoldFellow website:

Competitor	Check Date	Offer Received	GoldFellow Pricing	Difference
Dollars4Gold.com	4/2/2009	\$ 96.88	\$ 155.10	\$ 58.22
GoldPaq.com	4/6/2009	\$ 56.91	\$ 150.35	\$ 93.44
GoldKit.com	4/3/2009	\$ 45.06	\$ 156.35	\$ 111.29
BrokenGold.com	4/6/2009	\$ 58.60	\$ 150.35	\$ 91.75
GetGoldCash.com	4/7/2009	\$ 88.04	\$ 151.99	\$ 63.95
Cash4Gold.com	4/8/2009	\$ 66.51	\$ 152.03	\$ 85.52
CashforGoldUSA.com	4/3/2009	\$ 91.96	\$ 156.35	\$ 64.39
<b>Average Pricing</b>		\$ 71.99	\$ 156.35	\$ 84.36

Based on this analysis of gold pricing, for quantities less than 1 ounce, we noted that the GoldFellow pricing model produced a payout of 160% to 347% higher than the settlement offers from each of the selected competitors.

Sincerely,

***Goldstein Schechter Koch Lucas Horwitz & Co, PA***

Coral Gables, Florida