Risk Factors Comparison 2023-09-12 to 2022-09-02 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Relating to Market Trends and Global Events The demand for our products and our profitability ultimately depends on preferences and perceptions regarding the desirability of owning precious metals, but those preferences and perceptions are subject to change. While the Company operates at both the wholesale and direct- to- consumer levels, the demand for our products is dependent upon the perceptions and preferences in the global market regarding the ownership of precious metals and numismatics. These perceptions and preferences depend on a variety of factors, including world events (as discussed more fully below), business and economic conditions, inflationary and other currency related trends and alternative investment opportunities. All such factors may change over time and as a consequence the results of our operations, profitability and stock price may vary over both the short and the long term. In recent times, our profitability **has** ~~and stock price have~~ risen to historically unprecedented levels, but may in the future revert to more normalized levels. ~~The consequences of the COVID- 19 pandemic and other global~~ **Global** and macroeconomic events have had an overall positive effect on the demand for our products and ancillary services, the margins that we are able to realize on our products and services and our overall profitability. Our stock price has responded favorably to these unprecedented circumstances as well. While it is not possible to predict with any accuracy future market trends, our business may revert at some point to levels more closely in line with industry activity prior to **such events** ~~the COVID- 19 outbreak~~, particularly in the direct- to- consumer business of the Company ~~and its recently acquired JMB subsidiary~~. If that were to occur our profitability and the price of our stock could return to more normalized levels as well. We regularly seek to innovate and to anticipate market changes, but there is no assurance that we will be successful in doing so. We are alert to the special sensitivity of our business to economic, social and political trends and events, and we attempt to project their effects on our business over the long term. **For** ~~So, for~~ example, we have been placing increasing emphasis on our direct- to- consumer business, in anticipation that the economic uncertainties, market volatilities and global challenges that we face will continue to make investment in precious metals and numismatics more attractive to individual consumers. There can be no assurance, however, that we will be correct in our assessments of market trends or evolving business and consumer preferences, or that, even if our judgments are correct, our response to projected trends and preferences will be timely or effective. Moreover, because of the sensitivity of our business to macro- economic, social and political circumstances, there may be no effective strategy to insulate us from the adverse effects that these circumstances could have on our business. Risks Relating to our Operations Our business is heavily dependent on our credit facility. Our business depends substantially on our ability to obtain financing for our operations. On December 21, 2021, we entered into a new committed facility provided by a syndicate of financial institutions (the " Trading Credit Facility "), with a total current revolving commitment of up to $ 350. 0 million and with a termination date of December 21, 2024. The Trading Credit Facility provides the Company with the liquidity to buy and sell billions of dollars of precious metals annually. A- Mark routinely uses funds drawn under the Trading Credit Facility to purchase metals from its suppliers and for operating cash flow purposes. Our CFC subsidiary also uses the funds drawn under the Trading Credit Facility to finance certain of its lending activities. The Trading Credit Facility requires us to comply with customary affirmative and negative covenants, and with a variety of financial covenants, including a minimum working capital requirement; a fixed charge coverage ratio; a ratio of total recourse debt to consolidated tangible net worth; and limitations on the amount of ownership- based financings (as defined). Upon the occurrence of an event of default under the Trading Credit Facility that was not cured or waived pursuant to the terms of the Trading Credit Facility, the lenders under the Trading Credit Facility could elect to declare all amounts outstanding under the Trading Credit Facility to be due and payable immediately. Further, lenders holding at least 66. 67 % of the revolving commitments under the Trading Credit Facility may require us to repay all outstanding indebtedness under the Trading Credit Facility at any time, even if we are in compliance with the financial and other covenants under the Trading Credit Facility. After such demand, each lender with a revolving loan commitment may, but is not obligated to, make revolving loans until the termination date of the Trading Credit Facility. If we are unable to access funds under the Trading Credit Facility, we may be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt instruments, including the Trading Credit Facility, upon demand or acceleration, or at maturity, or that we would be able to refinance or restructure the payments under the Trading Credit Facility. ~~The~~ **Our** failure ~~of A- Mark~~ to renew or replace the Trading Credit Facility under such circumstances would reduce the financing available to us and could limit our ability to conduct our business, including certain lending activity of our CFC subsidiary. There can be no assurance that we could procure replacement financing on commercially acceptable terms on a timely basis, or at all. We have pledged a significant portion of our assets as collateral under the Trading Credit Facility, and if we were unable to repay the amounts outstanding thereunder, the administrative agent under the Trading Credit Facility could proceed against the collateral granted to secure such indebtedness. We are subject to fluctuations in interest rates based on the variable interest terms of the Trading Credit Facility, and we may not be able to pass along to our customers and borrowers some or any part of an increase in the interest that we are required to pay under the Trading Credit Facility. Loans under our credit facility may bear interest based on SOFR, but experience with SOFR based loans is limited. Revolving loans under the Trading Credit Facility are at our option either Based Rate Loans that bear interest at a base rate plus a prescribed margin, or SOFR Loans that bear interest at rates selected by us based on the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York (SOFR) plus prescribed margins. The use of SOFR based rates ~~is intended to replace~~ **replaced** rates based on the London interbank offered rate (~~"~~

LIBOR ~~"~~), and reflects the cessation of the publication of LIBOR rates previously announced by regulators in the United Kingdom and the discontinuation of the use of LIBOR in the financial markets. The use of SOFR based rates may result in interest rates and / or payments that are higher or lower than the rates and payments that we experienced under our prior Trading Credit Facility, where interest rates were based on LIBOR. Also, the use of SOFR based rates is relatively new, and there could be unanticipated difficulties or disruptions with the calculation and publication of SOFR based rates. In particular, if the agent under the Trading Credit Facility determines that SOFR Rates cannot be determined or the agent or the lenders determine that SOFR based rates do not adequately reflect the cost of funding the SOFR Loans, outstanding SOFR Loans will be converted into Base Rate Loans. This could result in increased borrowing costs for the Company. We could suffer losses with our financing operations. We engage in a variety of financing activities with our customers: • Receivables from our customers with whom we trade in precious metal products are effectively short- term, non- interest bearing extensions of credit that are, in certain cases, secured by the related products maintained in the Company' s possession or by a letter of credit issued on behalf of the customer. On average, these receivables are outstanding **up to 10** ~~for periods of between 8 and 9~~ days **. • We make advances to our customers on unrefined metals secured by materials received from the customer. These advances are limited to a portion of the materials received. • The Company makes unsecured, short- term, non- interest bearing advances to wholesale metals dealers and government mints. • The Company periodically extends short- term credit through the issuance of notes receivable to approved customers at interest rates determined on a customer- by- customer basis** . • The Company operates a financing business through CFC which makes secured loans at loan- to- value ratios — principal loan amount divided by the liquidation value, as conservatively estimated by management, of the collateral — of, in most cases, 50 % to 85 %. These loans are both variable and fixed interest rate loans, with some maturities on- demand and others from three to twelve months. ~~• We make advances to our customers on unrefined metals secured by materials received from the customer. These advances are limited to a portion of the materials received. • The Company makes unsecured, short- term, non- interest bearing advances to wholesale metals dealers and government mints. • The Company periodically extends short- term credit through the issuance of notes receivable to approved customers at interest rates determined on a customer- by- customer basis.~~ Our ability to minimize losses on the credit that we extend to our customers depends on a variety of factors, including: • our loan underwriting and other credit policies and controls designed to assure repayment, which may prove inadequate to prevent losses; • our ability to sell collateral upon customer defaults for amounts sufficient to offset credit losses, which can be affected by a number of factors outside of our control, including (i) changes in economic conditions, ~~including as a consequence of the COVID- 19 pandemic,~~ (ii) increases in market rates of interest and (iii) changes in the condition or value of the collateral; and • the reserves we establish for loan losses, which may prove insufficient. Liquidity constraints may limit our ability to grow our business. We will require adequate sources of liquidity to fund both our existing business and our strategy for expansion, evidenced ~~most recently~~ by our acquisition of JMB **and other acquisition activity** . Currently, our main sources of liquidity are the cash that we generate from operations, our borrowing availability under the Trading Credit Facility, and the proceeds from **the issuance of the** ~~our securitization transaction through our subsidiary AM Capital Funding LLC ("~~ AMCF ~~")~~ **Notes, which mature on December 15, 2023** . There can be no assurance that ~~these~~ **our** sources **of liquidity** will be adequate to support the growth that we are hoping to achieve or that additional sources of financing for this purpose, in the form of additional debt or equity financing, will be available to us, on satisfactory terms or at all. Also, the Trading Credit Facility contains, and any future debt financing is likely to contain, various financial and other restrictive covenants. The need to comply with these covenants may limit our ability to implement our growth initiatives. We **.We may be exposed to other risks** in ~~our operations~~ **the supply chain for precious metals** .As a result of various macro- economic factors ~~,including in the past few years the COVID- 19 pandemic~~ ,businesses in a variety of industries have experienced difficulty in obtaining the source materials required for their operations.We require coin and other bullion products,particularly products manufactured by government mints,for resale to our customers,and silver for the productions of bullion bars and rounds by our **SilverTowne** ~~Silver Towne~~ mint.We have multiple sources for obtaining the bullion products which we resell to our customers,and our relationships with major refiners have to date provided us with an adequate source of material for our minting operations.We also maintain a supply of metal in case we experience a shortage of raw materials for our **SilverTowne** ~~Silver Towne~~ mint.However,while we **currently** do not ~~currently~~ anticipate that our business will suffer as a consequence of the current problems in the national and global supply chains,we cannot assure you that this will continue to be **the case** are dependent on our key management personnel and our trading experts. Our strategic vision and performance are dependent on ~~Greg~~ **Gregory** Roberts, our Chief Executive Officer, other members of our senior management and certain other key employees ~~. We have employment agreements with Mr. Roberts and Brian Aquilino, our Chief Operating Officer, which both expire on June 30, 2023, and with Thor Gjerdrum, our President, which expires on June 30, 2025. The continuing integration of JMB with our other businesses relies in part on the knowledge and experience of Michael Wittmeyer, the Chief Executive Officer of JMB~~ . We have an employment agreement with Mr. ~~Wittmeyer~~ **Roberts** which ~~terminates on~~ **expires in** June ~~30, 2024~~ **2027 . We also have employment agreements with Thor Gjerdrum, our President, and Brian Aquilino, our Chief Operating Officer, which expire in June 2025, and Robert Pacelli, Chief Executive Officer and President of JMB, which expires in June 2026** . These and other employees have expertise in the trading markets, e- commerce operations and digital marketing; have industry- wide reputations; and perform critical functions for our business. We cannot offer assurance that we will be able to negotiate acceptable terms for the renewal of the employment agreements or otherwise retain our key employees. Also, there is significant competition for skilled precious metals traders and other industry professionals. The loss of our current key officers and employees, without the ability to replace them, would have a materially adverse effect on our business. We rely extensively on computer systems to execute trades and process transactions, and we could suffer substantial damages if the operation of these systems were interrupted. We rely on our computer and communications hardware and software systems to execute a large volume of trading transactions each year. **Our dependence on computer and communications technology increased** ~~With~~

with the acquisition of JMB, whose sales are conducted exclusively through the internet ~~, our dependence on computer and communications technology has further increased~~ . It is therefore critical that we maintain uninterrupted operation of these systems, and we have invested considerable resources to protect our systems from physical compromise and security breaches and to maintain backup and redundancy. Nevertheless, our systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, including breaches of our transaction processing or other systems, catastrophic events such as fires, tornadoes and hurricanes, and usage errors by our employees. ~~If~~ **Breaches, damage or malfunctions affecting** our systems ~~are breached, damaged or cease to function properly, we~~ may **require** ~~have to make a~~ significant investment ~~to fix or~~ **for repair or** ~~replace~~ **replacement** ~~them~~ , **and could** ~~we may suffer interruptions~~ **interrupt** ~~in~~ our ability to provide quotations or trading services ~~in the interim~~ , ~~and~~ **or to conduct our e- commerce business. Also, if personal data were compromised,** we ~~may face~~ **could be subject to** costly litigation. Risks Related to World Events Our business is influenced by political conditions and world events. The precious metals business is especially subject to global political conditions and world events. Precious metals are viewed by some as a secure financial investment in times of political upheaval or unrest, particularly in developing economies, which may drive up pricing. The volatility of the commodity prices for precious metals is also likely to increase in politically uncertain times. Conversely, during periods of relative international calm precious metal volatility is likely to decrease, along with demand, and the prices of precious metals may retreat. Because our business is dependent on the volatility and pricing of precious metals, we are likely to be influenced by world events more than businesses in other economic sectors. ~~Currently,~~ Russia is ~~engaging~~ **continuing to engage** in ~~significant~~ **its** military action against Ukraine. In response, the U. S. and certain other countries imposed significant sanctions and export controls, and could impose further sanctions and controls, against Russia, Belarus and certain individuals and entities connected to Russian or Belarusian political, business, and financial organizations **. The conflict has also created uncertainty regarding, and potential shortages of, grain and fossil fuel supplies in Europe and elsewhere** . It is not possible to predict the broader consequences of this conflict, which could materially adversely affect global trade, currency exchange rates, regional economies and the global economy, and its impact on us. We could benefit from the resulting uncertainty and instability, as it may encourage investors to seek perceived safety in the ownership of precious metals. On the other hand, we have a marketing support operation in Austria and have significant business in Germany and other parts of Europe that could be materially and adversely affected by ~~prolonged~~ **the continuing** or expanded military activity in that region. More generally, a depressing effect on the global economy as a consequence of the military action in Ukraine could similarly dampen our business activity and reduce the demand for our products and services. The Company has experienced outsized growth in its revenues and operating profits since the onset of the COVID- 19 pandemic, but there can be no assurance that this level of performance will continue ~~, and its performance may drop as the pandemic and its related effects subside~~ . The recent growth of the business of the Company generally, and the business of its ~~recently acquired~~ JMB subsidiary in particular, may be attributed to the unprecedented uncertainties and volatility in the financial markets resulting from the COVID- 19 pandemic, its effects on the economy and the related government responses. Other contemporary events and circumstances, including political polarization **, macroeconomic uncertainty, volatility in the financial markets** and global instability, ~~may~~ **have** also ~~have~~ been contributing factors to the recent growth of the business of the Company. In this environment, consumers may have sought perceived financial safety in precious coins and metals. There can be no assurance that the recent growth in the precious metals business will continue in future periods ~~or will not decline as the pandemic and its effects on the economy, the business environment and the responsive actions of government subside, or as the current political environment becomes less charged~~ . ~~Even if the effects of the COVID- 19 pandemic on the domestic and world markets, or the perceived political instability, continue for an extended period of time, consumer~~ **Consumer** perceptions with respect to precious coins and metals could shift, these commodities may no longer be viewed as secure investments and the demand for the Company' s products could substantially decline. We cannot predict the performance of our business and operations if and when business conditions revert to more normalized levels. A decline in our future revenues and earnings would have adverse effects on our overall results of operations and could cause our stock price to decline. Moreover, because of the nature of the current business and financial environment, particularly in regards to the precious metal industry, it is **difficult** ~~not possible~~ to create with any acceptable measure of precision customary financial projections and forecasts for our business over the next several years. This could adversely affect our ability to engage in financial and operational planning for the future ~~. Our business could also be adversely affected by the continuing COVID- 19 pandemic. The COVID- 19 outbreak has caused significant disruption in the financial markets both globally and in the United States. While there have been positive effects of the market reaction to the outbreak on our business, the continuing pandemic could have adverse effects on our businesses in the future, including with respect to the following: • We maintain facilities for our clients' and our own precious metal and numismatic inventories, where we receive and store these products and from which we make shipments for physical settlement in our trading activity. We have implemented procedures at these facilities to ensure social distancing and minimize the risk of infected personnel. Nonetheless, there can be no assurance that we will not experience an outbreak of infection at these facilities, which could necessitate their closure or the curtailment of their activity. • We engage in transactions with numerous financial counterparties. If these parties were to experience significant financial reversals as a result of the COVID- 19 pandemic, these parties may be unable to comply with their financial obligations to us, may cease transacting business with us or could curtail or terminate the credit that they extend to us. While we deal with a significant number of counterparties, we nonetheless have concentration in our customer base. To the extent that the COVID- 19 pandemic were to materially and adversely affect the financial condition of customers responsible for a material portion of our revenues, our business could be correspondingly impaired. • We require a regular supply of newly minted coins and other numismatics in the conduct of our coin and bar and retail businesses. Our AM & ST Associates, LLC (" AMST") subsidiary supplies a portion of our requirements for silver products. We are also dependent on the production of gold and silver mints around the world for the supply of the majority of our product requirements. Many mints, and refineries that supply gold and silver for the mints,~~

~~reduced the capacity of their operations during the COVID- 19 crisis, and most major mints continue to operate at reduced capacity due to COVID- 19 protocols and related workforce shortages. As a result we have experienced periods when precious metals products were unavailable to us. Any uncertainty regarding the availability of coin and other products could make it difficult for us to commit to future delivery, could make it more difficult for us to forecast and plan for our coin and bar operations and could otherwise adversely impact this aspect of our business. • Mints and refineries, including our AMST subsidiary, rely on specialized, armored vehicles provided by third party commercial services to transport precious metals and numismatics. We also rely on these transportation services to transport our products to and from our customers and from the mints and our other suppliers. During the COVID- 19 pandemic, mints, refineries, and we faced transportation challenges and increased transportation costs. Constraints on transportation capacity could impact product availability and higher transportation costs may in the future adversely affect our sales and profitability~~ . We have significant operations outside the United States. We derive a significant portion of our revenues from business outside the United States, including from customers in developing countries. Business operations outside the U. S. are subject to political, economic and other risks inherent in operating in foreign countries. These include risks of general applicability, such as the need to comply with multiple regulatory regimes; trade protection measures and import or export licensing requirements; and fluctuations in equity, revenues and profits due to changes in foreign currency exchange rates. Currently, we do not conduct substantial business with customers in developing countries. However, if our business in these areas of the world were to increase, we would also face risks that are particular to developing countries, including the difficulty of enforcing agreements, collecting receivables, protecting inventory and other assets through foreign legal systems, limitations on the repatriation of earnings, currency devaluation and manipulation of exchange rates, and high levels of inflation. We try to manage these risks by monitoring current and anticipated political, economic, legal and regulatory developments in the countries outside the United States in which we operate or have customers and adjusting operations as appropriate, but there can be no assurance that the measures we adopt will be successful in protecting the Company' s business interests. The current inflationary **and high interest rate** environment ~~could~~ **may** adversely affect our ~~business~~ **costs and expenses and the demand for our products** . The United States and other ~~major~~ world economies **are currently experiencing high interest rates and** have recently ~~been experiencing~~ **experienced high levels of inflation, although this has eased in recent months. Certain investors, including customers of our Direct- to- Consumer segment, may regard precious metal products as a hedge against inflation and high interest** rates **, which** ~~of inflation that are at the highest levels in several decades. The effects that inflationary pressure may have on our business are difficult to predict. It~~ could ~~create increased~~ **positively affect** demand for our ~~coin~~ **goods** and ~~bullion products~~ **services. However** , ~~if~~ **inflation may also increase our expenses of operations, which because of the nature of our business we cannot generally pass along to** our customers ~~were to believe~~ **. Our Trading Credit Facility bears interest at a variable rate of interest, so** that **higher** ~~currency devaluation, particularly a devaluation of the U. S. dollar, will be a likely result of inflation. On the other hand, a rise in~~ interest rates ~~resulting~~ **will also increase our cost of borrowing under that facility, and rising interest rates may also increase the costs under our product financing arrangements, and we may be unable to compensate for these increases through higher interest income received** from ~~governmental efforts to control~~ **our counterparties. Also,** inflation ~~could result in a flight to government debt instruments and away from investments in precious metals. If that were to occur~~ , ~~our business could suffer~~ **together with high interest rates, may reduce discretionary spending among consumers, thereby reducing product demand in the retail sector** . Risks Related to our Wholesale Sales & Ancillary Services Segment Our business is dependent on a concentrated customer base. One of A- Mark' s key assets is the customer base of its Wholesale Sales & Ancillary Services segment. This customer base provides deep distribution of product and makes A- Mark a desirable trading partner for precious metals product manufacturers, including sovereign mints seeking to distribute precious metals coinage or large refiners seeking to sell large volumes of physical precious metals. In any given quarter, our sales in this segment may be derived from a small number of significant customers. If our relationships with these customers deteriorated, or if we were to lose these customers, our business could be materially adversely affected. The loss of a government purchaser / distributorship arrangement could materially adversely affect our business. A- Mark' s business is heavily dependent on its purchaser / distributorship arrangements with various governmental mints. Our ability to offer numismatic coins and bars to our customers on a competitive basis is based on the ability to purchase products directly from a government source. The arrangements with the governmental mints may be discontinued by them at any time. The loss of an authorized purchaser / distributor relationship, including with the U. S. Mint, could have a material adverse effect on our business. We operate in a highly competitive industry. The business of buying and selling precious metals is global and highly competitive. The Company competes with precious metals firms and banks throughout North America, Europe and elsewhere in the world, some of whom have greater financial and other resources, and greater name recognition, than the Company. We believe that, as a full- service firm devoted exclusively to precious metals trading, we offer pricing, product availability, execution, financing alternatives and storage options that are attractive to our customers and allow us to compete effectively. We also believe that our purchaser / distributorship arrangements with various governmental mints give us a competitive advantage in our coin distribution business. However, given the global reach of the precious metals business, the absence of intellectual property protections and the availability of numerous, evolving platforms for trading in precious metals, we cannot assure you that A- Mark will be able to continue to compete successfully or that future developments in the industry will not create additional competitive challenges. The Company is subject to risks relating to its AMST operations. Our AMST subsidiary, which operates our ~~SilverTowne,~~ **Silver Towne** Mint **,** depends on critical pieces of equipment which may be out of service occasionally for scheduled upgrades or maintenance or as a result of unanticipated failures or business interruptions. AMST' s facilities are subject to equipment failures and the risk of catastrophic loss due to unanticipated events such as fires, earthquakes, accidents or violent weather conditions. AMST has insurance to cover certain of the risks associated with equipment damage and resulting business interruption, but there are certain events that would not be covered by insurance, and there can be no assurance that insurance will continue to be available on acceptable terms. AMST' s ability to continue to expand the scope of its services and customer base depends in part on its ability to increase the size of its skilled labor force. **In the past, the demand for skilled personnel has been high and the supply limited.** The inability to employ or retain skilled technical personnel could adversely affect AMST' s operating results. ~~In the past, the demand for skilled personnel has been high and the supply limited. Interruptions in AMST' s processing and production capabilities and shutdowns resulting from unanticipated events, or its inability to adequately staff its operations, could adversely affect our business.~~ We have in the past engaged, and continue to engage, in transactions with Stack' s Bowers, an affiliate of the Company, which could be perceived as not being made at arms- length. Stack' s- Bowers Numismatics, LLC (" Stack' s Bowers"), which is primarily engaged in the business of auctions of high- value and rare coins and in coin retailing, is a wholly-owned subsidiary of Spectrum Group International, Inc. (" SGI"), our former parent and a related party. We have engaged in the past, and continue to engage, in transactions with Stack' s Bowers. These transactions include secured lending transactions in which Stack' s Bowers is the borrower, and other transactions involving the purchase and sale of rare coins, including with JMB. SGI and the Company have a common chief executive officer, and the chief executive officer and the general counsel of the Company are board members of SGI. In addition, a majority of the board of directors of the Company **have** ~~has retained~~ an ownership interest in SGI that in the aggregate represents a controlling interest in SGI. All transactions between the Company and Stack' s Bowers are approved by our Audit Committee, and we believe that all such transactions are on terms no less favorable to the Company than would be obtained from an unaffiliated third **-** party. Nonetheless, these transactions could be perceived as being conflicted. The materials held by A- Mark are subject to loss, damage, theft or restriction on access. A- Mark has significant quantities of high- value precious metals at its Logistics ~~facility~~ **facilities** , at third- party depositories and in transit. There is a risk that part or all of the gold and other precious metals held by A- Mark, whether on its own behalf or on behalf of its customers, could be lost, damaged or stolen. In addition, access to A- Mark' s precious metals could be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Although we maintain insurance on terms and conditions that we consider appropriate, we may not have adequate sources of recovery if our precious metals inventory is lost, damaged, stolen or destroyed, and recovery may be limited. Among other things, our insurance policies exclude coverage in the event of loss as a result of terrorist attacks or civil unrest. Our Logistics depository is subject to authorization by our lenders. Our lenders under our Trading Credit Facility have approved our Logistics ~~facility~~ **facilities** as an authorized depository. If that approval were to be withdrawn for any reason, we would no longer be able to keep inventory at that location, which would substantially limit our ability to conduct business from that facility. Risks Related to our Direct- to Consumer Segment Our Direct- to- Consumer businesses could be subject to accusations of improper sales practices. Through our JMB and Goldline subsidiaries, the Company sells precious metals and numismatics directly to the retail investor community. JMB markets its products over the internet. Goldline markets its precious metal products on television, radio, and over the internet, and through customer service outreach. Prior to its acquisition by the Company, Goldline had been accused of improper sales practices, and was the subject of a state enforcement action that was subsequently settled. Other retailers of precious metal products have similarly been the subject of accusations regarding their sales practices, including claims of misrepresentation, excessive product markups, pressured sales tactics and product switching. The Company believes that the sales practices of its Goldline subsidiary conform to applicable legal and ethical standards, and that there is no material basis for claims against Goldline in this regard. Nevertheless, given the nature of the retail precious metals business, the possibility that investors in precious metals may lose a substantial portion of their investment as a result of adverse market trends and the vulnerability of certain retail precious metal investors to economic loss, there can be no assurance that claims will not be made regarding business practices of Goldline or JMB or that, if made, such claims will not attract the attention of governmental and private sector consumer advocates. Were this to occur, the Company could suffer adverse publicity, be subject to governmental enforcements actions or be forced to modify the sales and marketing practices of its direct- to- consumer business. Our Direct-to- Consumer businesses ~~operates~~ - **operate** in a highly competitive environment. JMB and Goldline face competition from other specialty online precious metal and coin sites, as well as from traditional precious metal retail brokers and coin stores. In addition, certain general online merchandisers such as eBay also offer collectible coins and bullion for sale, and other major online retailers, with financial and marketing resources, name recognition and a customer base that are far greater than those that are available to JMB and Goldline, may in the future enter this market. Competition is based upon the availability of coin and bullion product, price, delivery times, convenience and customer service. There can be no assurance that JMB and Goldline will be able to compete effectively with other retail sources and channels for precious coin and bullion, especially if the demand for these products were to contract from its current record high levels **. We intend to continue to pursue selective acquisitions and investments to complement our organic growth, which may not be successful. As part of our Direct- to- Consumer operating strategy, we have sought, and in the future may seek, to supplement our organic growth through strategic acquisitions of and investments in other e- commerce retailers of coins and precious metals. We may not be able to identify suitable acquisition or investment candidates in the future. If we are unable to successfully execute on organic growth opportunities or complete acquisitions or investments in the future, or if we incur greater than anticipated costs to execute this strategy, our growth may be limited. To the extent that we grow through acquisitions or investments, we cannot ensure that we will be able to adequately or profitably manage this growth** . JMB' s search engine optimization strategies have provided it with an important competitive advantage, but this may not continue. We believe that the internally developed search engine optimization (SEO) strategies of JMB provide its business with a competitive advantage in driving traffic to its sites over other e- commerce precious metal retailers and have been a significant factor in the growth of JMB. The challenges of efficient SEO programming are continually evolving, and other e- commerce retailers in the precious metal space are constantly working to improve their own SEO capabilities. If JMB does not continue to maintain its competitive edge in SEO technology, it could lose customers and market share to its competitors. JMB relies upon paid and unpaid internet search engines to rank its product offerings and drive traffic to its website, and its website traffic may suffer if its rankings decline or its relationship with these services deteriorates. JMB relies on paid and unpaid internet search engines to attract consumer interest in its product offerings. Search engine companies change their natural search engine algorithms periodically, and these changes may adversely affect JMB' s product offerings in paid and / or unpaid searches. JMB may also at times be subject to ranking penalties if the operators of search engines believe it is not in compliance with their guidelines. If JMB' s search engine rankings decline, and JMB is unable to timely regain its prior rankings, it may have to use more expensive marketing channels to sustain and grow its revenues, resulting in reduced profitability. If JMB and Goldline do not respond effectively to technological and market changes, they will cease to be competitive with other channels that consumers may have for the purchase of precious coins and bullion. To remain competitive, JMB and Goldline must continue to enhance and improve the responsiveness, functionality and features of its online operations. The internet and the electronic commerce industry are characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies, and the emergence of new industry standards and practices. The evolving nature of the internet could render JMB' s existing technology and systems obsolete. Its continuing success will depend, in part, on its ability to: • develop, license or acquire leading technologies useful in its business; • develop new features and technology that address the increasingly sophisticated preferences of its customers; and • respond to technological advances and emerging industry and regulatory standards and practices in a cost- effective and timely manner. With the growth of e-commerce, the pace of change in product offerings and consumer tastes in the shipping and logistics industries is faster now than in years past. This accelerated pace of change increases uncertainty and places a greater burden on management to anticipate and respond to such changes. The increased pace of change also means that the window in which a technologically advanced or sophisticated product or service can achieve and maintain partner and consumer interest is shrinking and, to the extent JMB and Goldline fail to timely anticipate or respond to changes in its industry, the effects of such missteps may be amplified. Future advances in technology may not be beneficial to, or compatible with, JMB' s or Goldline' s businesses. Furthermore, JMB and Goldline may be unsuccessful in using new technologies effectively or adapting their technology and systems to user requirements or emerging industry standards on a timely basis. Their ability to remain technologically competitive may require substantial expenditures and lead time. If JMB or Goldline is unable to adapt in a timely manner and at reasonable cost to changing market conditions or user requirements, it will cease to be competitive with other channels for the purchase of precious coins and bullion. If JMB fails to continuously improve its websites (on all relevant platforms, including mobile), it may not attract or retain customers. JMB owns and operates ~~four~~ **six** separately branded websites targeting specific segments within the precious metals market: JMBullion. com, ProvidentMetals. com, Silver. com, ~~and~~ **BGASC. com,** ~~Cybermetals~~ **CyberMetals . com, and BullionMax** . com. JMB also owns two websites, GoldPrice. org and SilverPrice. org, which publish data on precious metal and cryptocurrency pricing and generate leads for its other websites. JMB must continually update its ~~website~~ **websites** (on all relevant platforms, including mobile) to improve and enhance its content, accessibility, convenience and ease of use. Failure to do so may create a perception that the websites of JMB' s competitors are easier to use and navigate or that they are better able to service customer needs for precious metal coins and bullion. If such a perception were to gain currency, traffic to JMB' s ~~website~~ **websites** and its revenues would suffer. Certain of JMB' s websites publish data concerning the precious metal and cryptocurrency markets obtained from third parties, which could be inaccurate. JMB' s ~~silverprice~~ **GoldPrice** . org and ~~goldprice~~ **SilverPrice** . org publish data on precious metal and cryptocurrency pricing which is obtained from third parties. While we believe that the sources of the published data are reliable, the data is not independently verified by JMB or us. If the data that JMB receives and publishes were inaccurate, and were relied upon by consumers visiting these websites, JMB could be exposed to liability and may suffer damage to its reputation. JMB **and Goldline** ~~expects~~ - **expect** to profit on precious metals acquired from ~~its~~ **their** customers, but that might not be the case. **Through** ~~One of~~ the ~~services that~~ **Direct- to- Consumer Purchase Program,** JMB ~~provides to~~ **and Goldline (through** its **affiliate, PMPP)** ~~customers is its program of offering~~ --- **offer** to ~~repurchase~~ -- **purchase** precious coins and bullion owned by ~~its~~ **their** customers. We believe that this program encourages the purchase of coins and bullion as an investment because it assures ~~JMB' s~~ customers that their investment in the products offered by JMB **and Goldline** will be liquid and can be monetized if the customers have a need for cash. JMB **and Goldline** ~~offers~~ - **offer** to ~~repurchase~~ -- **purchase** coins and bullion from ~~its~~ **their** customers at prices designed to reflect current market valuations, but also allows JMB **and Goldline** to profit on the resale of the products. There can be no assurance, however, that JMB **or Goldline** will in fact be able to resell product that ~~it~~ **they** ~~repurchases~~ --- **purchase** at a price that will justify the cost of ~~repurchase~~ -- **purchase** . In a declining market for precious metal products, JMB **and Goldline** could be burdened with substantial amounts of ~~repurchased~~ -- **purchased** inventory that ~~it is~~ **they are** unable to resell at an economic price, or at all. **The suspension** ~~If JMB were to suspend~~ or ~~discontinue~~ **discontinuance** ~~its offer~~ **of the Direct-** to **- Consumer** ~~repurchase~~ **Purchase Program** ~~coin and bullion from its customers~~ because of adverse market conditions ~~, it~~ could ~~antagonize its customers and~~ impair the perception among ~~its~~ **JMB' s and Goldline' s** customers that precious coin and bullion is a safe and attractive investment. The Company' s joint venture, Precious Metals Purchasing Partners, LLC, is subject to risks which may affect our ability to successfully profit from the joint venture. The Company owns **a** 50 % ~~of Precious Metals Purchasing Partners, LLC, (" PMPP"), a~~ joint venture **interest** ~~which commenced operations~~ in **PMPP** ~~the first quarter of fiscal year 2020~~ . PMPP purchases products primarily from end- user retail customers, which are then sold to the Company ~~, related parties of the Company~~ or ~~third parties~~ **affiliated companies** . The Company' s interest in PMPP is subject to the risks customarily associated with the conduct of joint ventures, including the risk of (i) failure to agree on strategic decisions requiring the approval of both parties, (ii) failure of the joint venture partner to meet its obligations, and (iii) disputes between the joint venturers or litigation regarding joint venture matters. Each of these risks could have a material adverse impact on the viability of PMPP, and its potential contributions to the Company' s future cash flows and earnings. In addition, PMPP is subject to the risks that it will be unable to sell the product that it acquires at economic prices or at all, **as** ~~similar to the risks~~ described above with respect to ~~JMB'~~ **the Company'** s **overall Direct- to- Consumer** ~~repurchase~~ **Purchase** ~~program~~ **Program** .

Risks Related to our Secured Lending Segment CFC may in certain circumstances be required to repurchase loans that it has securitized. CFC has entered into a securitization financing whereby it has transferred, and may continue from time to time to transfer, to its AMCF subsidiary loans secured by precious metal coins or bullion. AMCF has issued 4. 98 % Class A Notes due 2023 and 5. 98 % Class B Notes due 2023 **(collectively, the" AMCF Notes")** which are secured by these loans and related assets. While the **AMCF** ~~notes~~ **Notes** are non- recourse to the Company or CFC, CFC is required to provide certain warranties concerning the loans and the security interest in the metals collateral securing the loans. In the event the warranties made with respect to any loan are breached and the breach materially and adversely affects the interests of the noteholders, CFC is required to either cure the breach or repurchase the loan within specified a timeframe. If CFC were to default on its repurchase obligations, this could materially adversely affect the business of CFC, and could adversely affect the Company' s future ability to access the credit markets. CFC and the Company have exposure to the performance of AMCF. Regulation RR of the SEC requires the sponsor of an asset- backed securitization transaction, or certain of its affiliates, to retain an economic interest in the transaction. In compliance with this rule, CFC retained the equity interest in AMCF, and the Company currently holds $ 5. 0 million of Class B Notes, which are subordinated to the Class A Notes. In addition, CFC and the Company may, from time to time, also contribute cash or sell precious metals to AMCF in exchange for subordinated, deferred payment obligations from AMCF. If the performance of AMCF were to suffer such that AMCF were unable to service its **AMCF** ~~notes~~ **Notes** , CFC and the Company could lose part or all of their investments in AMCF **. Although the Company expects to refinance the AMCF Notes, there can be no assurance that it will be able to do so. The AMCF Notes have a maturity date of December 15, 2023. The Company is in discussions with its Trading Credit Facility lenders to refinance the AMCF Notes under this facility, but the Company will require the consent of the lenders in order to do so, and additional lenders may need to be added to the facility for this purpose. There can be no assurance that the Company will receive the necessary consents or that additional lenders can be identified and joined to the facility. If the AMCF Notes cannot be refinanced using the Trading Credit Facility, the Company may be able to obtain alternative financing for this purpose, including by issuing replacement collateralized notes, although there can be no assurance that the Company would be successful in obtaining such alternative financing in a timely manner. Also, the interest rate on any replacement financing will likely be higher than the current rates of the AMCF Notes, making the financing for the Company' s operations more costly. If the Company were unable to refinance the AMCF Notes through the Trading Credit Facility or additional alternative financing, the Company will be likely required to generate funds to repay the AMCF Notes through the sale of inventory and / or product financing arrangements, reducing the Company' s liquidity. Failure to repay the AMCF Notes when due may result in the exercise of remedies against the collateral for the AMCF Notes, and may cause the lenders to exercise their right of termination under the Trading Credit Facility** . Under the terms of the servicing arrangements for the precious metals loan securitization, CFC may be required to liquidate the collateral securing securitized loans, even if this would impair relationships with its customers. CFC is the servicer for the loans transferred to AMCF in the securitization transaction. If, under certain circumstances, the equity levels of the obligors on particular loans falls below a specified level and those obligors fail to pay in additional equity, CFC is required to liquidate the metals collateral securing those loans within a specified time period. CFC does not have the flexibility to defer or refrain from the liquidation, even if CFC were to determine that it would be in its best interests to do so. This requirement could impair valuable relationships that the Company may otherwise have with its customers whose loans have been securitized. Risks Relating to Commodities A- Mark' s business is heavily influenced by volatility in commodities prices. A primary driver of A- Mark' s profitability is volatility in commodities prices, which leads to wider bid and ask spreads. Among the factors that can impact the price of precious metals are supply and demand of precious metals; political, economic, and global financial events; movement of the U. S. dollar versus other currencies; and the activity of large speculators such as hedge funds. If commodity prices were to stagnate, there would likely be a reduction in trading activity, resulting in less demand for the services A- Mark provides, and spreads would likely decrease, which could materially adversely affect our profitability. The period to period changes in volatility may cause our revenues to fluctuate, as a consequence of which our results for any one period may not be indicative of the results to be expected for any future period. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " Our business is exposed to **the risk of changes in** commodity ~~price~~ **prices** ~~risks~~ , and our hedging activity to protect our inventory is subject to risks of default by our counterparties. A- Mark' s precious metals inventory is subject to market value changes created by changes in the underlying commodity price, as well as supply and demand of the individual products the Company trades. In addition, open sale and purchase commitments are subject to changes in value between the date the purchase or sale is fixed (the trade date) and the date metal is delivered or received (the settlement date). A- Mark seeks to minimize the effect of price changes of the underlying commodity through the use of financial derivative instruments, such as forward and futures contracts. A- Mark' s policy is to remain substantially hedged as to its inventory position and its individual sale and purchase commitments. A- Mark' s management monitors its hedged exposure daily. However, there can be no assurance that these hedging activities will be adequate to protect the Company against commodity price risks associated with A- Mark' s business activities. Furthermore, even if we are fully hedged as to any given position, there is the risk of default by our counterparties to the hedge. A default by a counterparty on a substantial hedge could have a material adverse effect on our business. Increased commodity pricing could limit the inventory that we are able to carry. We maintain a large and varied inventory of precious metal products, including bullion and coins, in order to support our trading activities and provide our customers with superior service. The amount of inventory that we are able to carry is constrained by the borrowing limitations and working capital covenants under the Trading Credit Facility. If commodity prices were to rise substantially, and we were unable to modify the terms of the Trading Credit Facility to compensate for the increase, the quantity of product that we could finance, and hence maintain in our inventory, would fall. This would likely have a material adverse effect on our operations. We rely on the efficient functioning of commodity exchanges around the world, and disruptions on these exchanges could adversely affect our business. The Company buys and sells precious metals contracts on commodity exchanges around the world, both in support of its customer operations and to hedge its inventory and transactional exposure against fluctuations in commodity prices. The Company' s ability to engage in these activities would be compromised if the exchanges on which the Company trades or any of their clearinghouses were to discontinue operations or to experience disruptions in trading, due to computer problems, unsettled markets, sanctions against commodity exporting countries or other factors. For example, if there were to be disruptions in the supply chain for gold, silver, platinum or palladium, ~~similar to what the market for nickel is currently experiencing as a consequence of the war in Ukraine and the Russian sanctions,~~ our ability to buy and sell these metals on the commodity exchanges would be materially and adversely affected. The Company may also experience disruption and risk of loss if futures commission merchants or commodity brokers with whom the Company deals were to become insolvent or bankrupt . We may be exposed to other...... this will continue to be the case . Our business is subject to the risk of fraud and counterfeiting. The precious metals (particularly bullion) business is exposed to the risk of loss as a result of " materials fraud " in its various forms. We seek to minimize our exposure to this type of fraud through a number of means, including third- party authentication and verification, reliance on our internal experts and the establishment of procedures designed to detect fraud. However, there can be no assurance that we will be successful in preventing or identifying this type of fraud, or in obtaining redress in the event such fraud is detected. Risk Related to our Regulatory Environment We are subject to laws and regulations. There are various federal, state, local and foreign laws, ordinances and regulations that affect our trading business. For example, because of the nature and value of the products in which deal, we are required to comply with the Foreign Corrupt Practices Act and a variety of anti- money laundering and know- your- customer rules in response to the USA Patriot Act. The SEC has promulgated rules mandated by the Dodd- Frank Act regarding disclosure, on an annual basis, of the use of tin, tantalum, tungsten and gold, known as conflict minerals, in products manufactured by public companies. These rules require due diligence to determine whether such minerals originated from the Democratic Republic of Congo (" DRC") or an adjoining country and whether such minerals helped finance the armed conflict in the DRC. The Company has concluded that it is not currently subject to the conflict minerals rules because it is not a manufacturer of conflict minerals under the definitions set forth in the rules. Depending on developments in the Company' s business, it could become subject to the rules at some point in the future. In that event, there will be costs associated with complying with these disclosure requirements, including costs to determine the origin of gold used in our products. In addition, the implementation of these rules could adversely affect the sourcing, supply and pricing of gold used in our products. Also, we may face disqualification as a supplier for customers and reputational challenges if the due diligence procedures we implement do not enable us to verify the origins for the gold used in our products or to determine that the gold is conflict free. CFC operates under a California Finance Lenders License issued by the California Department of Financial Protection and Innovation. CFC is required to submit a finance lender law annual report to the state which summarizes certain loan portfolio and financial information regarding CFC. The Department of Financial Protection and Innovation may audit the books and records of CFC to determine whether CFC is in compliance with the terms of its lending license. ~~We have been subject~~ **The Company believes that its Direct-** to ~~an ongoing investigation by~~ **- Consumer operations are generally conducted in a manner that does not implicate the jurisdiction of** the Commodity Futures Trading Commission ~~relating~~ **(" CFTC"), as it does not sell products** to **retail customers for future delivery. The Commodity Exchange Act (the " CEA ") and the rules and regulations of the CFTC are drafted broadly, however, and practices that the Company does not regard as futures transactions may be regarded as such by the CFTC. During the first quarter of fiscal 2023, the Company and Goldline settled an action in which the CFTC alleged, among other things, that** certain ~~activities~~ **financing arrangements that were made available to customers constituted** ~~of~~ **off - exchange retail commodity transactions. Although this matter was settled on terms satisfactory to the Company with no material financial impact, and** Goldline ~~. While we do~~ **has discontinued these particular arrangements and practices, there can be no assurance that the CFTC will** not ~~expect~~ **in** the ~~outcome~~ **future accuse us** of **violating the CEA** ~~this investigation to materially adversely affect our~~ - **or the rules** ~~business or operations, this agency,~~ and ~~possibly~~ **regulations of the CFTC, or otherwise (along with** other federal ~~and~~ **or** state agencies **)** ~~, may~~ seek to assert oversight over aspects of our operations which could adversely affect us. There can be no assurance that the regulation of our trading and lending businesses will not increase or that compliance with the applicable regulations will not become more costly or require us to modify our business practices. For other risks related to government regulation, see " Risk Factors of General Applicability — We are subject to other laws and regulations, " below. Compliance with new data protection / privacy statutes could increase our costs and expose the Company to possible sanctions for violation. By reason of our Direct- to- Consumer business in particular, we collect personal data. In 2016, the European Union (" EU") adopted a comprehensive overhaul of its data protection regime from **a** ~~the current~~ national legislative approach to a single European Economic Area Privacy Regulation, the General Data Protection Regulation (" GDPR "), which went into effect in May 2018. The EU data protection regime expands the scope of the EU data protection law to all foreign companies processing personal data of EU residents, imposes a strict data protection compliance regime with severe penalties of up to the greater of 4 % of worldwide turnover or € 20 million, and includes new rights such as the " portability " of personal data. Although the GDPR applies across the EU without a need for local implementing legislation, EU member states have the ability to interpret the GDPR opening clauses, which permit region- specific data protection legislation and have the potential to create inconsistencies on a country- by- country basis. Our Direct- to- Consumer business currently has limited international operations which would subject it to the GDPR. Our Wholesale Sales and Ancillary Services segment maintains an office in Vienna, Austria that provides marketing support services for its international (including EU) customers. We have evaluated **GDPR** ~~the new regulation~~ and its requirements, and believe we are currently in compliance with ~~the~~ GDPR in all material respects. Going forward, however, the expansion of our international operations could require us to change our business practices and may increase the costs and complexity of compliance. Also, a violation by the Company of this regulation could expose us to penalties and sanctions under the regulation. In ~~2018~~ **2020** , California passed **amendments to** the California Consumer Privacy Act ~~of 2018~~ (" CCPA ") ~~,~~

that took ~~effective~~ --- **effect** on January 1, ~~2020~~ **2023** . This law provides California consumers with a ~~greater~~ **high** level of transparency and ~~broader~~ -- **broad** rights and choices with respect to their personal information ~~than~~ **. For example,** ~~those~~ -- **the** ~~contained in~~ **CCPA grants consumers privacy rights including the rights of data correction and data portability, the right to limit the Company’ s use of a new subset of personal information called “ sensitive personal information ” that requires heightened protections, and the right to appeal the Company’ s response to** ~~any~~ - **an individual’ s exercise of these new or** existing **privacy rights** ~~state and federal laws in the U. S~~ . The “ personal information ” regulated by CCPA is broadly defined to include identification or association with a California consumer or household, including demographics, usage, transactions and inquiries, preferences, inferences drawn to create a profile about a consumer, **government identification numbers,** and education information. Compliance with CCPA requires the implementation of a series of operational measures such as **:** preparing data maps, inventory, or other records of all personal information pertaining to California residents, households and devices, as well as information sources, usage, storage, and sharing ~~,~~ **;** maintaining and updating detailed disclosures in privacy policies ~~,~~ **; conducting risk assessments for the use of sensitive personal information;** establishing mechanisms (including, at a minimum, a toll- free telephone number and an online channel) to respond to consumers’ data access, deletion, portability, and opt- out requests ~~,~~ **; and** providing ~~a~~ clear and conspicuous ~~“ Do Not Sell My Personal Information ” link~~ **links** on the home page of the business’ website, ~~etc~~ **where applicable, allowing residents to limit or opt- out of certain data processing activities** . CCPA prohibits businesses from discriminating against consumers who have opted out of the sale of their personal information, subject to ~~a~~ narrow ~~exception~~ **exceptions** . ~~Violations of~~ **Failure to comply with the** CCPA ~~will~~ **can** result in civil penalties up to $ 7, 500 per violation ~~. CCPA further allows~~ **or actual damages suffered by a** ~~consumers~~ - **consumer** ~~to file lawsuits against a business if a data breach has occurred and the California Attorney General does not prosecute the business~~ . Colorado, Virginia, ~~Utah,~~ and Connecticut ~~recently~~ **also** passed comprehensive **privacy laws, modeled in part after the CCPA, that took effect in 2023. Eight other states have passed similar** privacy laws that will take effect ~~in~~ **between** 2023 **and 2025, including Texas, Delaware, Oregon, Tennessee, Iowa, Indiana, Utah, and Montana** . ~~California~~ **These U. S. privacy laws have some provisions and requirements similar to the CCPA. However, preparing to comply with the varying requirements of these laws has already subjected the Company to costs and legal fees and will subject the Company to additional costs and risks as they take effect. For example, these laws may limit the Company’ s ability to use personal information for advertising purposes, may limit the ways in which the Company may use certain categories of personal information, may require the Company to obtain additional permissions from the consumer, and may require revision of the Company' s contracts with service providers with whom the Company shares personal information in the course of providing its products and services. These laws may** also ~~passed~~ **limit the Company’ s ability to process sensitive personal information, which includes financial data, account information, identification card numbers, social security numbers,** ~~an~~ **and precise geolocation. The Company will have to** update **is policies** ~~to the CCPA~~ , **notices** ~~called the California Privacy Rights Act~~ , **procedures** ~~which takes effect January 1~~ , ~~2023.~~ **and permissions in response to** ~~These~~ **these** ~~five~~ new privacy laws **. The Company may also** have ~~provisions and requirements similar~~ to **update its advertising practices. Failure to comply with** ~~the~~ **these** ~~CCPA~~ **privacy laws can result in civil penalties ranging from $ 2, 500 to $ 20, 000 per violation** . In addition, ~~effective on October 1~~ **the SEC recently changed its disclosure requirements regarding cybersecurity risk management** , ~~2019~~ **strategy** , ~~existing~~ **governance and incident reporting. These changes require companies to investigate all cybersecurity incidents without unreasonable delay, determine their level of materiality, and report specific details about any material cybersecurity incidents in a separate filing within four business days. These changes also require additional information in annual disclosures regarding the Company’ s cybersecurity risk management and reporting processes, as well as the cybersecurity expertise of relevant Company personnel and third- party service providers or auditors.** Nevada law ~~was amended by a bill that~~ requires operators of websites and online services to post a notice on their websites regarding their privacy practices. The ~~bill~~ **law also** requires operators of internet websites or online services to establish a designated request address through which a consumer may submit a verified request directing such operators not to make any sale of covered information collected about the consumer. The “ covered information ” regulated by the ~~bill~~ **Nevada law** is defined to include an enumerated list of items of personally identifiable information (including names, addresses, email addresses, phone numbers, social security numbers and identifiers that allow a specific person to be contacted). The changes introduced by these statutes, and other similar regulations enacted by other jurisdictions, will subject the Company to additional costs and complexity of compliance, by requiring, among other things, changes to the Company’ s security systems, policies, procedures and practices. In addition, a violation by the Company of the new regulations could expose us to penalties and sanctions. One or more states or municipalities could assert that the Company is liable for sales and use, commerce, or similar type of taxes, which could adversely affect our business. We ship product to retail customers throughout the United States. In South Dakota v. Wayfair, Inc. et al (" Wayfair"), the U. S. Supreme Court ruled that states may charge tax on purchases made from out- of- state sellers, even if the seller does not have a physical presence in the taxing state. The effect of Wayfair was to uphold economic nexus principles in determining sales and use tax nexus. As a result of the decision, most states have adopted laws that require an out- of- state retailer to register and collect sales and use or other non- income type taxes upon meeting certain economic nexus standards regardless of whether the company has physical presence in the state. Although the Company believes it is complying with these requirements, our interpretation and application of the newly enacted legislation may differ from the states, which could result in the states' attempt to impose additional tax liabilities, including potential penalties and interest. Furthermore, the requirements by state or local governments on out- of- state sellers to collect sales and use taxes could deter futures sales, which could have an adverse impact on our business. For other risks related to taxation, see “ Risk Factors of General Applicability — Changes in U. S. tax law could adversely affect our business ~~— Changes in U. S. tax law could adversely affect our business~~ , ” below. We use lead providers and marketing affiliates to assist us in obtaining new customers ~~and~~ , and if lead providers or marketing affiliates do not comply with an increasing number of applicable laws and regulations, or if our ability to use such lead providers or marketing affiliates is otherwise impaired, it could adversely affect our business. We are dependent on third parties, referred to as lead providers (or lead generators) and marketing affiliates, as a source of new customers for our Direct- to- Consumer segment and new borrowers for our Secured Lending segment. Our marketing affiliates place our advertisements on their websites that direct potential customers to our websites. Generally, lead providers operate, and also work with their own marketing affiliates who operate, separate websites to attract prospective customers and then sell those " leads " to online traders and lenders. As a result, the success of our Direct- to- Consumer and Secured Lending businesses depends ~~substantially~~ **materially** on the willingness and ability of lead providers or marketing affiliates to provide us customer leads at acceptable prices. If regulatory oversight of lead providers or marketing affiliates is increased, through the implementation of new laws or regulations or the interpretation of existing laws or regulations, our ability to use lead providers or marketing affiliates could be restricted or eliminated. For example, the Consumer Financial Protection Bureau (~~“~~ **"** CFPB ~~”~~ **"**) has indicated its intention to examine compliance with federal laws and regulations by lead providers and to scrutinize the flow of non- public, private borrower information between lead providers and lead buyers, such as us. Over the past few years, several states have taken actions that have caused us to discontinue the use of lead providers in those states. While these discontinuations did not have a material adverse effect on us, other states may propose or enact similar restrictions on lead providers and potentially on marketing affiliates in the future, and if other states adopt similar restrictions, our ability to use lead providers or marketing affiliates in those states would also be interrupted. The failure by lead providers or marketing affiliates to comply with applicable laws or regulations, or any changes in laws or regulations applicable to lead providers or marketing affiliates or changes in the interpretation or implementation of such laws or regulations, could have an adverse effect on our business and could increase negative perceptions of our business and industry. Additionally, the use of lead providers and marketing affiliates could subject us to additional regulatory cost and expense. If our ability to use lead providers or marketing affiliates were to be impaired, our business could be materially adversely affected. Judicial decisions, CFPB rulemaking or amendments to the Federal Arbitration Act could render the arbitration agreements we use illegal or unenforceable. We include arbitration provisions in our loan and financing agreements. These provisions are designed to allow us to resolve any customer disputes through individual arbitration rather than in court and explicitly provide that all arbitrations will be conducted on an individual and not on a class basis. Thus, our arbitration agreements, if enforced, have the effect of shielding us from class action liability. Our arbitration agreements do not generally have any impact on regulatory enforcement proceedings. We take the position that the arbitration provisions in loan and financing agreements, including class action waivers, are valid and enforceable; however, the enforceability of arbitration provisions is often challenged in court. If those challenges are successful, our arbitration and class action waiver provisions could be unenforceable, which could subject us to additional litigation, including ~~additional~~ class action litigation. In addition, the U. S. Congress has considered legislation that would generally limit or prohibit mandatory arbitration agreements in consumer contracts and has enacted legislation with such a prohibition with respect to certain mortgage loan agreements and also certain consumer loan agreements to members of the military on active duty and their dependents. Further, the Dodd- Frank Act directed the CFPB to study consumer arbitration and authorized the CFPB to adopt rules limiting or prohibiting consumer arbitration, consistent with the results of its study. In July 2017, the CFPB issued a new rule on arbitration, which would have prohibited class action waivers in certain consumer financial services contracts. However, in November 2017, a joint resolution passed by Congress was signed disapproving the rule under the Congressional Review Act. Because the rule was disapproved, it cannot be reissued in substantially the same form, and the CFPB cannot issue a substantially similar rule unless the new rule is specifically authorized by a law enacted after the date of the joint resolution disapproving the original rule. Any judicial decisions, legislation or other rules or regulations that impair our ability to enter into and enforce consumer arbitration agreements and class action waivers could increase our exposure to class action litigation as well as litigation in plaintiff-friendly jurisdictions, which would be costly and could have a material adverse effect on our business. Our advertising and marketing materials and disclosures related to our Direct- to- Consumer and Secured Lending segments have been and continue to be subject to regulatory scrutiny. In the jurisdictions where our Direct- to- Consumer business operates, our advertising and marketing activities and disclosures are subject to regulation under various industry standards, borrower protection laws, and other applicable laws and regulations. Consistent with the lending industry as a whole, our advertising and marketing materials have come under increased scrutiny. There can be no guarantee that we will be able to continue advertising and marketing our business units in a manner we consider effective. Any inability to do so could have a material adverse effect on our business. Risks Relating to Our Common Stock We ~~have suspended regular dividends in the past and~~ may not continue to pay any dividends in the future. ~~The Company had suspended its~~ **A- Mark' s board of directors has adopted a** regular **quarterly cash** dividend policy ~~in the third quarter of fiscal 2019 but has recently announced an intention to resume payment of regular cash dividends~~ of $ 0. 20 per ~~quarter~~ **common share ($ 0. 80 per share on an annual basis)** . The initial quarterly cash dividend under the policy **was** ~~will be~~ paid on October 24, 2022 to stockholders of record as of October 10, 2022 **. The most recent cash dividend under the policy was paid on July 28, 2023 to stockholders of record as of July 17, 2023** . The declaration of regular cash dividends in the future is subject to the determination each quarter by the board of directors, based on a number of factors, including the Company' s financial performance, available cash resources, cash requirements and alternative uses of cash and applicable bank covenants. ~~Notwithstanding the recently announced intention to resume payment of regular quarterly cash dividends, there~~ **There** can ~~be~~ be no assurance that the Company will pay dividends in the future on a regular basis or otherwise. If the board of directors were to determine not to pay dividends in the future, stockholders would not receive any further return on an investment in our capital stock in the form of dividends and may obtain an economic benefit from the common stock only after an increase in its trading price and only by selling the common stock. In ~~August~~ **September** 2021 **and 2022** , the Company paid ~~a~~ non- recurring special cash ~~dividend~~ **dividends** to our stockholders, as a consequence in part of the Company' s favorable performance during the preceding periods ~~. The Company has also announced that it will pay a similar~~

~~non- recurring special cash dividend on September 26, 2022 to holders of record on September 12, 2022~~ . There is no assurance that any such non- recurring special dividend will be paid in the future, and if made, the timing or amount of any such dividend. **See Note 20 to the Company' s consolidated financial statements for more information regarding our dividends.** Your percentage ownership in the Company could be diluted in the future. Your percentage ownership in A- Mark potentially could be diluted in the future because of additional common stock- based equity awards that we expect will be granted to our directors, officers and employees, including through our current equity incentive plan. In addition, we may issue equity in order to raise capital or in connection with future acquisitions and strategic investments, which could dilute your percentage ownership. For example, in the acquisition of JMB and our increased investments in Pinehurst Coin Exchange, Inc. and Silver Gold Bull, Inc., we issued stock to the selling shareholders in partial consideration for their interests. **We also issued stock to the public to finance, in part, the acquisition of JMB.** Provisions in our Certificate of Incorporation and Bylaws and of Delaware law may prevent or delay an acquisition of the Company, which could decrease the trading price of our common stock. Our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law contain certain anti- takeover provisions that could have the effect of making it more difficult for a third **-** party to acquire, or of discouraging a third **-** party from attempting to acquire, control of the Company without negotiating with our board of directors. Such provisions could limit the price that certain investors might be willing to pay in the future for the Company' s securities. Certain of such provisions allow the Company to issue preferred stock with rights senior to those of the common stock, impose various procedural and other requirements which could make it more difficult for stockholders to effect certain corporate actions and set forth rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings. We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. However, these provisions apply even if an acquisition offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of our Company and our stockholders. Accordingly, in the event that our board determines that a potential business combination transaction is not in the best interests of our Company and our stockholders, but certain stockholders believe that such a transaction would be beneficial to the Company and its stockholders, such stockholders may elect to sell their shares in the Company and the trading price of our common stock could decrease. Our board and management beneficially own a ~~sizeable~~ - **sizable** percentage of our common stock and therefore have the ability to exert substantial influence as stockholders. Members of our board and management beneficially own approximately ~~25~~ **24** % of our outstanding common stock. Acting together in their capacity as stockholders, the board members and management could exert substantial influence over matters on which a stockholder vote is required, such as the approval of business combination transactions. Also because of the size of their beneficial ownership, the board members and management may be in a position effectively to determine the outcome of the election of directors and the vote on stockholder proposals. The concentration of beneficial ownership in the hands of our board and management may therefore limit the ability of our public stockholders to influence the affairs of the Company. If our customer data were breached, we could suffer damages and loss of reputation. We maintain significant amounts of customer data on our systems, and certain third **-** party providers have access to confidential data concerning the Company. A breach of customer data maintained by the Company or third **-** party providers could damage our reputation and result in costs, fines and lawsuits. Our procedures to protect against unauthorized access to secured data may be inadequate to safeguard against all data security breaches. The Company' s failure or inability to protect its intellectual property could harm its competitive position. The Company relies on a combination of patent, trade secret, copyright and trademark laws and contractual restrictions, such as confidentiality agreements and licenses, to protect its business, services, know- how and information. The Company' s patent, trademarks or service marks may be challenged or found to be unenforceable, and contractual arrangements to protect our intellectual property may be insufficient to prevent its misappropriation. If that were the case, the Company' s competitive position would suffer. Third parties may assert violations of their intellectual property rights against the Company. Third parties may currently have, or may be issued, patents upon which the technologies used by the Company infringe. The Company could incur significant costs to defend infringements claims, regardless of their validity, or could be required to develop non- infringing technology at considerable expense or be compelled to enter into expensive royalty or license agreements. For example, JMB was compelled to expend significant resources as a consequence of litigation in which it was accused of infringement prior to its acquisition by the Company. We are subject to other laws and regulations. In addition to matters discussed above, we are subject to various laws, and regulations, both domestic and foreign, as well as responsible business, social and environmental practices, which may change from time to time. Failure to comply with applicable laws and regulations or implement responsible business practices could subject us to damage to our reputation, lawsuits, criminal exposure, or increased cost of regulatory compliance. Changes in U. S. tax law could adversely affect our business. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws or regulations may be enacted under existing or new tax laws. This could result in an increase in our tax liability or require changes in our business in order to mitigate any adverse effects of changes in tax laws. Third **-** party expectations relating to Environment, Social and Governance (" ESG ") factors may impose additional costs and expose us to new risks. In recent years, there has been an increasing focus by stakeholders of public companies — including investors, employees, customers, suppliers, **and** governmental and non- governmental organizations — on ESG matters. A failure, whether real or perceived, to address ESG could adversely affect our business, including by heightening other risks that we face, such as those related to consumer behavior and consumer perceptions of us. We may also face pressure from stakeholders to provide disclosure and establish commitments, targets or goals, and take actions to meet them, regarding ESG. If we fail to satisfy the expectations of investors and other stakeholders or our initiatives are not executed as planned, our reputation, results of our operations and ability to grow our business may be negatively impacted. Additionally, new legislative or regulatory initiatives related to ESG could adversely affect our business.