

CCE TRADING RULES

1. **FACTS/CQS Information System.** All CCE members must subscribe to the Certified Quote System (FACTS/CQS), which includes a database-format bid and ask system. Executed trades will also be reported in a database format on the FACTS/CQS. In addition to providing pricing information, the system will provide the necessary forms and the communications software to execute trades on FACTS/CQS. Any full-time dealer may apply for access to FACTS/CQS for the purpose of retrieving and reviewing price information, but only CCE members may post bid and ask prices and execute trades
2. **Coins Eligible for CCE Trading.** Only coins graded and encapsulated by an Approved Grading Service may be posted or traded on CCE. Approved Grading Services are Professional Coin Grading Service (PCGS), Numismatic Guaranty Corporation (NGC), American Numismatic Association Certification Service (ANACS), and the Independent Coin Grading Company (ICG), and such other grading services as CCE shall approve in its sole discretion. In addition to the Approved Grading Services, coins graded by PCGS or NGC and verified (stickered) by Certified Acceptance Corporation (CAC) may be posted or traded. CCE shall maintain a list of Approved Grading Services on CCE's website.
3. **Bids, Asks and Trades Using Trade Entry Facility.** A Member who desires to buy a coin posts a "bid" for that coin. A Member who desires to sell a coin posts an "ask" for that coin. One posting a bid or ask is a "Posting Member." A Member who responds to a bid or an ask is called a "Responding Member." The offer to buy or sell, and the execution of a trade, must be communicated to CCE via the Trade Entry Facility provided on FACTS/CQS. If the transaction is not communicated via the Trade Entry then it is not an Approved Transaction under the CCE Rules.
4. **Quantity and Price of Coins.** Members must indicate the Lot Size, i.e., the number of coins they are offering to buy or sell, at the same time they post a bid or ask. The Lot Size is restricted to 998 or fewer coins. The Lot Size that the dealer posts is automatically decreased as trade executions occur, except in the case of Unlimited Market coins, represented by a Lot Size entry of "999".
 - (a) For a Lot Size of 1, the execution of a transaction for 1 coin will automatically cause the bid or ask to be deleted.
 - (b) The maximum Lot Size trade that can be executed against Unlimited Market bids/asks is 50.
 - (c) Posted bids and asks are firm, and Members must buy or sell at the prices posted to other Members, provided, however, that bids and asks may be changed at any time.
 - (d) The following minimum bid/ask increments or decrements shall apply to CCE trades:

| Price Ranges | Discrete Increment/Decrement |
|---------------------|---------------------------------|
| 1 – 500 | \$1 |
| 501 – 2,000 | 5 |
| 2,001 – 5,000 | 10 |
| 5,001 – 10,000 | 50 |
| 10,000 – 50,000 | 100 |
| 50,001 – 100,000 | 500 |
| 100,001 – 500,000 | 1,000 |
| 500,001 – 1,000,000 | 5,000 |

- (e) All Approved Transactions are in U.S. Dollars.
- (f) Transactions, including prices and quantities, shall be as posted in the CQS host computer.
- (g) For coins with a zero population, the member may indicate an interest in that coin by showing "QUOTE". A bid may not be posted.
- (h) A Member will not be required to honor a posted bid or ask if the bid or ask posted is an obvious keystroke error. Any ask price that is less than a bid price on the same coin and grade, or bid price greater than an ask price on the same coin and grade, or bid exceeding the bid price on the next higher grade for the same coin is an obvious error. In case of dispute, CCE's determination with respect to whether or not an obvious keystroke error has occurred will be final.

5. Sight-Seen Trades.

A sight-seen trade is one where the buyer has an opportunity to examine the coin and the option to reject it after delivery. Prior to posting sight-seen prices, a Member must acknowledge the applicability of this section of the Rules, and that sight-seen bidding and asking is a privilege separate from sight-unseen CCE trading, and may be revoked. No sight-seen bids and asks are permitted on CCE Generic.

- (a) Sight-seen bids and asks, and last trade data relating to sight-seen trades, will carry an "s" designation.
- (b) A sight-seen buyer must exercise his or her revocation right within 24 hours of receiving the coin by notifying CCE at FACTS station Z11, and immediately shipping the coin back to the seller by USPS Registered Mail. CCE will delete the trade from its database and notify the seller. Risk of loss shall be on the buyer until the seller receives the coin.

(c) CCE shall maintain a sight-seen rejections database, which shall include the number of times each Member (i) has bought coins sight-seen and then rejected them; or (ii) has sold coins sight-seen which were rejected by the buyer. CCE shall make this data available to any Member on request. CCE, in its sole discretion, may revoke a Member's sight-seen trading privileges for excessive rejections. A trade negotiated between a sight-seen buyer and seller at other than the posted price and reported to CCE shall not count as a rejection by either party for purposes of this Rule.

6. Plus Grade Bidding.

For coins in plus “+” grade, (example: “MS64+”) both sight seen and sight unseen bidding are allowed. When you bid on a non-plus coin, your bid will automatically be posted as a plus grade bid too, unless you already have a higher bid for the plus grade of that coin. You of course can change your plus bid to a higher bid than the non-plus grade if you choose. When you just bid on a plus grade, there is no effect on the non-plus grade for that coin.

For example, if you are bidding \$2,000 sight seen for a MS65 \$20 St.Gaudens, you will automatically have a sight seen bid of \$2,000 posted for a MS65+ \$20 St. Gaudens, unless you already have a bid for the plus grade that is higher than \$2,000. The quantity amount on the automatic plus grade bids will automatically match your quantity bids for the non-plus grade, and will adjust as either quantity amount is changed thru trades. If you delete or change a non-plus grade, your automatic plus grade bid will delete or change to match the non-plus change or deletion.

7. Shipment and Payment.

Shipment shall take place no more than two (2) trading days after the buyer responds to the seller's ask or the seller responds to the buyer's bid. Payment by the buyer shall take place no more than five (5) trading days thereafter, or on the trading day during which the coin is received, whichever is later.

All shipments shall be by U.S.P.S. Registered Mail unless otherwise agreed by the parties, and are F.O.B. destination, i.e., at the seller's risk until received by the buyer.

Deliverable goods. The commodity deliverable against a bid or ask is the specific coin designated by the CCE numbering system of the specified grade of the specified grading service. Delivery of a coin of a different grading service from the one specified is a Default. The holder of the coin must be in good condition, without cracks. Also, the coin must be verifiable by an approved grading service.

8. CCE Charges.

CCE Members shall pay CCE monthly fee, due on the first trading day of each month. CCE reserves the right to terminate any Member for non-payment of fees.

9. Trading Limits.

- (a) Daily limit rule. Members may not purchase more than \$50,000 in coins in a single trading day for bids posted without express consent from CCE.
- (b) Lateral rule. A bidder (leading bidder) may not execute a sale to bidders who have posted prices that are lower or the same as his own (following bidder) on the same coin and grade. A 24-hour period must expire subsequent to the deletion of the leading bidder's bids, or the reduction of his bids to a level below that of the following bidder.
- (c) The "HALT" Procedure. If a member is having short-term technical problems, they may request a "Halt" on their trading, and this will be shown on the screen. If, after 24 hours, the member is still having technical problems, the CCE will deactivate their bids. A member on technical halt may not act as a responding dealer; that is, they may not hit bids or asks.
- (d) A Member posting bids may request a "Halt" on their trading, upon the accumulation of \$15,000 in transactions within 15 minutes, so that any transactions attempted thereafter will not occur and will not be communicated to the posting dealer. The posting dealer may then change or delete his or her bids. CCE will establish reasonable procedures designed to effect this rule but will not be liable to any person for any failure to delete bids.

10. Failed Trades and Defaults.

If a Member's CQS host computer in either the quantity or the price of a coin, and that member attempts to execute a trade using a Trade Entry, or if the Member mistakenly enters a Lot Size greater than that which is posted, the result will be a Failed Trade. That Member will be notified by an error code at his terminal, and his attempt to buy or sell will not be communicated to the Posting Member.

A Default occurs when one party to what is intended to be an Approved Transaction does not perform in accordance with the rules relating to Approved Transactions.

11. Credit Limits.

CCE may, in its sole discretion, assign credit limits to each Member over which the Member may not post bids. Should CCE learn that a Member has posted bids in excess of his or her limit; the dealer shall, upon CCE's request, show cause why CCE should not deactivate his or her bids until they come under the credit limit.

12. Prohibited Practices.

In addition to any other prohibitions contained in these Rules, the following practices are prohibited:

- (a) Short Sales, i.e. posting an ask or responding to a bid for any coin which is not (i) owned by and in the actual possession of the dealer posting an ask or the dealer responding on a bid or (ii) on consignment to a third party but available for immediate shipment.
- (b) Reporting or entering into any transaction in which transfer of coins or funds does not take place.
- (c) Making a material misrepresentation or omitting required information in any communication to CCE regarding any matter such as membership, transactions, or conduct of other members.
- (d) Reporting or entering into any transaction the purpose of which is to manipulate market prices.
- (e) Misusing data and text placed on CCE and/or FACTS/CQS including, but not limited to, reproducing, retransmitting, republishing or otherwise using said data or text in violation of these Rules and CCE's legal rights.
- (f) Posting sight-seen bids or asks with no intent to buy or sell coins at said prices.
- (g) Any act or omission which is contrary to law or established practice in the numismatic industry

13. Miscellaneous.

- (a) Trading days are Monday through Friday, excluding federal holidays, between the hours of 12 noon and 5 p.m. Eastern Time. All Members must be available during trading hours to receive communications from the CCE and other Members. Unavailability may result in the Member's bids being deleted.
- (b) Time is of the essence in execution of all trades, delivery of coins, and payment for coins.
- (c) CCE reserves the right to amend these Rules in its sole discretion at any time. The "Tape", i.e., the FACTS network, constitutes notice to Members of any official CCE announcements, rule changes, etc.
- (d) Neither CCE nor Collectors Universe, Inc. guarantees the creditworthiness of participants, the consummation of any trade, or the accuracy of any posted information. Each Member shall be responsible for ensuring the accuracy of the information that Member posts to FACTS/CQS, and shall be required to notify CCE Customer Service department promptly of any errors, omissions, or technical problems encountered while using FACTS/CQS.