A-Mark Precious Metals, Inc.
Form 10-K
September 24, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended June 30, 2015
Commission File Number: 001-36347

A-MARK PRECIOUS METALS, INC.
(Exact name of registrant as specified in its charter)

Delaware	11-2464169
(State of Incorporation)	(IRS Employer I.D. No.)

429 Santa Monica Blvd.
Suite 230
Santa Monica, CA 90401
(Address of principal executive offices)(Zip Code)
(310) 587-1477
(Registrant's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value	NASDAQ Global Select Market

Securities registered under Section 12 (g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	Yes. o No. þ
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.	Yes. o No. þ
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	Yes. þ No. o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).	Yes. þ No. o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.	o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act:

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	Yes. o No. þ

Aggregate market value of registrant’s common stock held by non-affiliates of the registrant on December 31, 2014, based upon the closing price of Common Stock on such date as reported by NASDAQ Global Select Market, was approximately $44,109,134. Shares of common stock known to be owned by directors and executive officers of the Registrant subject to Section 16 of the Securities Exchange Act of 1934 are not included in the computation. No determination has been made that such persons are “affiliates” within the meaning of Rule 12b-2 under the Exchange Act.

As of September 22, 2015, the registrant had 6,973,549 shares of common stock outstanding, par value $0.01 per share.

A-MARK PRECIOUS METALS, INC.

ANNUAL REPORT ON FORM 10-K
For the Year Ended June 30, 2015

TABLE OF CONTENTS

Table of Contents

PART I
ITEM 1. DESCRIPTION OF BUSINESS
Overview
A-Mark, also referred to (together with its subsidiaries) as "we", "us" and the "Company", is a full-service precious metals trading company. It is a wholesaler of gold, silver, platinum and palladium bullion and related products, including bars, wafers, grain and coins. A-Mark also-

- distributes gold and silver coins and bars from sovereign and private mints;
- provides financing for the purchase of bullion and numismatics;
- offers secure storage for bullion; and
- offers complementary products such as consignment, customized finance and liquidity programs such as Repo accounts, and trade quotes in a variety of foreign currencies.

A-Mark believes it has one of the largest customer bases in each of its markets and provides one of the most comprehensive offerings of products and services in the precious metals trading industry. Our customers include mints, manufacturers and fabricators, refiners, coin and bullion dealers, e-commerce retailers, banks and other financial institutions, commodity brokerage houses, industrial users of precious metals, investors and collectors. We serve customers on six continents, with over 10% of our customers being outside the United States.

A-Mark believes its businesses largely function independently of the price movement of the underlying commodities. However, factors such as global economic activity or uncertainty and inflationary trends, which affect market volatility, have the potential to impact customer demand, volumes and margins.

We conduct our operations within one business segment.

History/Spinoff from SGI
A-Mark was founded in 1965 as a small numismatics firm, which subsequently grew to include wholesale bullion trading and precious metals financing. Spectrum Group International, Inc. (SGI), then known as Greg Manning Auctions, Inc., acquired an 80% interest in A-Mark in 2005. The remaining 20% of A-Mark was acquired by Afinsa Bienes Tangibles, S.A. (Afinsa), at the time SGI's controlling shareholder. In 2012, SGI acquired from Afinsa its interest in A-Mark, as a result of which A-Mark became a wholly-owned subsidiary of SGI.

In March 2014, SGI distributed all of the shares of common stock of A-Mark to its stockholders, effecting a spinoff of A-Mark from SGI. As a result of this distribution, which we refer to as the spinoff, the Company is now a publicly traded company independent from SGI.

Over the years, A-Mark has been steadily expanding its products and services. In 1986, A-Mark became an authorized purchaser of gold and silver coins struck by the United States Mint. Similar arrangements with other sovereign mints followed, so that by the early 1990s, A-Mark had distribution relationships with all major sovereign mints offering bullion coins and bars internationally. In 2005, A-Mark launched its Collateral Finance Corporation (CFC) subsidiary for the purpose of making secured wholesale and retail loans collateralized by rare and semi-numismatic coins and bullion.

A-Mark opened an overseas office in Vienna, Austria in 2009, for the purpose of marketing its goods and services in the European markets, and the office commenced full trading activity in 2012. This resulted in the expansion of A-Mark's trading hours from 12 to 17 hours a day, 5 days a week. Also in 2012, A-Mark formed Transcontinental Depository Services, LLC (TDS), a subsidiary that provides customers with a turnkey global storage solutions for their precious metals and precious metal products.

In late 2014, the Company formed a wholly-owned subsidiary, A-M Global Logistics, LLC ("Logistics"), for the purpose of developing a new logistics fulfillment center based in Las Vegas, Nevada. The facility commenced operations in July 2015.

Table of Contents

Business Strategy

Through strategic relationships with its customers and suppliers and vertical integration across its markets, A-Mark seeks to grow its business volume, expand its presence in non-U.S. markets around the globe, with a principal focus on Europe and Asia, and enlarge its offering of complementary products and services. A-Mark seeks to continue its expansion by building on its strengths and what it perceives to be its competitive advantages. These include-

- vertically integrated operations that span trading, distribution, storage, financing and other consignment products and services;
- an extensive and varied customer base that includes banks and other financial institutions, coin dealers, jewelers, collectors, private investors, investment advisors, manufacturers, refiners, sovereign mints and mines;
- secure storage for bullion;
- access to primary market makers, suppliers, refiners and government mints that provide a dependable supply of precious metals and precious metal products;
- trading offices in Santa Monica, California and Vienna, Austria, giving our customers live access to our trading desk 17 hours each trading day, even when many major world commodity markets are closed;
- the largest precious metals dealer network in North America;
- depository relationships in major financial centers around the world;
- experienced traders who effectively manage A-Mark's exposure to commodity price risk; and
- a strong management team, with over 100 years of collective industry experience.

Business Units

A-Mark operates through several business units comprising a single segment for accounting purposes, including Industrial, Coin and Bar, Trading, Finance, CFC, TDS and Logistics.

Industrial. Our Industrial unit sells gold, silver, platinum and palladium to industrial and commercial users. Customers include coin fabricators such as mints, industrial manufacturers and fabricators, including electronics, and component parts companies, jewelry manufacturers and refiners. Depending on the intended usage, the metals are either investment or industrial grade and are generally in bar, wafer, plate, or grain.

Currently, orders are taken primarily telephonically, but A-Mark has recently implemented an electronic trading platform for all buyers and sellers of precious metals. Pricing is generally based on screen quotes for bullion transactions in the spot market, with two-day settlement, although special pricing and extended settlement terms are also available. For example, a customer can leave an order with A-Mark to purchase at a specified price below the current market price or an order to sell at a specified price above the current market price.

Almost all customers take physical delivery of the precious metal. Product is shipped upon receipt of payment, except where the purchase is financed under credit arrangements between A-Mark and the customer. We have relationships with precious metal depositories around the world to facilitate shipment of product from our inventory to our customers, in many cases for next day delivery. Product may either be drop shipped to the customer's location or delivered to a depository or other storage facility designated by the customer.

The Company periodically loans metals to customers on a short-term consignment basis, charging interest fees based on the value of the metals loaned. Such metal inventories are removed at the time the customers elect to price and purchase the metals, and the Company records a corresponding sale and receivable.

Coin & Bar. Our Coin & Bar unit deals in over 200 different products, including gold and silver coins from around the world and gold, silver, platinum and palladium bars and ingots in a variety of weights, shapes and sizes. We currently market a limited number of such products with our proprietary “A-Mark” rounds and bars. Our customers are primarily coin and bullion dealers, although we also deal directly with banks and other financial institutions, commodity brokerage house, manufacturers, investors, investment advisors, and collectors who qualify as “eligible commercial entities” and “eligible contract participants,” as those terms are defined in the Commodity Exchange Act. Our customers range in size from large financial institutions to small local dealers.

We are an authorized distributor (and, in the case of the United States Mint, an authorized purchaser) of gold and silver coins for all of the major sovereign mints and various private mints. The sovereign mints include the United States Mint, the Australian (Perth) Mint, the Austrian Mint, the Royal Canadian Mint, the China Mint, Banco de Mexico, the South African Mint

Table of Contents

(Rand Refinery) and the Royal Mint (United Kingdom). We purchase and take delivery of coins from the mints for resale to coin dealers and other qualified purchasers.

Our distribution and purchase agreements with the mints are non-exclusive, and may be terminated by the mints at any time, although in practice our relationship with the mints are long-standing, in some cases, as with the U.S. Mint, extending back for over 20 years. In some cases, we have developed exclusive products with sovereign and private mints for distribution through our dealer network.

Trading and Finance. Our Trading and Finance units engage in commodity hedging and borrowing and lending transactions in support of our Industrial and Coin & Bar operations.

The Trading unit hedges the commodity risk on A-Mark's inventory in order to protect A-Mark from price fluctuations in situations where settlement of a transaction is delayed or deferred. A-Mark maintains relationships with major market-makers and multiple futures brokers in order to provide a variety of alternatives for its hedging needs. Our traders employ a combination of future and spot transactions to hedge transactional exposure, and a combination of future, and forward contracts to hedge inventory exposure. Because it seeks to substantially hedge its market exposure, A-Mark believes that its business largely functions independently of the price movements in the underlying commodity. Through its hedging activities, A-Mark may also earn contango yields, in which futures price are higher than the spot prices, or backwardation yields, in which futures prices are lower than the spot prices. A-Mark also offers precious metals price quotes in a number of foreign currencies.

Our Finance unit engages in precious metals borrowing and lending transactions and other customized financial transactions with or on behalf of our customers and other counterparties. These arrangements range from simple hedging structures to complex inventory finance arrangements and forward purchase and sale structures, tailored to the needs of our customers.

CFC. Our Collateral Finance Corporation (CFC) subsidiary is a California licensed finance lender that makes and acquires commercial loans secured by numismatic and semi-numismatic coins and bullion. CFC's customers include coin and precious metal dealers, investors and collectors. CFC is complementary to our bullion and coin businesses, and affords customers a convenient means of financing their inventory or collections. CFC takes physical delivery of the coins or bullion collateralizing the loans, and requires loan-to-value ratios of between 50% and 80%. The loan-to-value ratio refers to the principal amount of the loan divided by the liquidation value of the collateral, as conservatively estimated by CFC. Secured loans include a combination of on-demand and short term (i.e., with terms of between three and twelve months) facilities, and bear interest at fixed rates prevailing at the time the loan is made. Other terms of the loan may be customized in accordance with the particular needs and circumstances of the borrower.

TDS. Our Transcontinental Depository Services (TDS) subsidiary provides storage solutions for precious metals and numismatic coins for financial institutions, dealers, investors and collectors worldwide. TDS contracts on behalf of our clients with independent storage facilities in the United States, Canada, Europe, Singapore and Hong Kong, for either fully segregated or allocated storage. We assist our clients in developing appropriate storage options for their particular requirements, and we manage the operational aspects of the storage with the third party facilities on our clients' behalf.

Logistics. Our A-Mark Global Logistics (Logistics) subsidiary commenced operations in July 2015. Located in Las Vegas, Logistics provides our customers an array of complementary services, including storage, shipping, handling, receiving, processing, and inventorying of precious metals and custom coins on a secure basis.

To support our wholesale trading business, Logistics will ultimately provide a significant amount of the secured storage, shipping and delivery services that have historically been outsourced to third-party depositories in various locations. We intend to consolidate a substantial portion of those locations into the Las Vegas facility by summer 2016. By consolidating those operations into one central location under our control, we will reduce dependence on third-party service providers while, we believe, enhancing quality control and reducing operating costs.

Logistics also provides turn-key logistics services to our customers engaged in the retail business. Through our facility, we provide these customers one-stop financing, hedging, inventory handling, storage, and seamless drop-shipping directly to their own retail customers.

Market Making Activity

We act as a principal market maker, maintaining a two-way market for buying and selling precious metals. This means we both sell product to and purchase product from our customers.
Inventory
We maintain a substantial inventory of bullion and coins in order to provide our customers with selection and prompt delivery. We acquire product for our inventory in the course of our trading activities with our customers, directly from mines and refiners and from commodities brokers and dealers, privately and in transactions on established commodity exchanges. Except

for certain lower of cost or market products, our inventory is “marked to market” daily for accounting and financial compliance purposes.

Sales and Marketing

We market our products and services primarily through our offices in Santa Monica, California and Vienna, Austria, our website and our dealer network, which we believe is the largest of its kind in North America. The dealer network consists of over 1,000 independent precious metal and coin companies, with whom we transact on a non-exclusive basis. The arrangements with the dealers vary, but generally the dealers acquire product from us for resale to their customers. In some instances, we deliver bullion to the dealers on a consignment basis. We also participate from time to time in trade shows and conventions, at which we promote our products and services.

As a vertically integrated precious metals concern, a key element of our marketing strategy is being able to cross-sell our products and services to customers of our different business units.

Operational Support

A-Mark maintains back office support at its offices in Santa Monica, California for processing and documenting its trading and sales activity and arranging for physical delivery and storage of product. We believe that our existing back office capacity will allow us to scale up our business activities without any appreciable increase in investment for operational support. We store our inventories of bullion with third party depositories in major financial centers around the world.

Using a third party software developer, we have created a proprietary trading program, referred to as the Metals Trading System or MTS. Through MTS we are able to input, process, track and document our trading activity, including complex hedging and similar transactions.

We have developed and implemented an electronic trading platform for receiving and processing customer orders, with the objective of improving transactional ease and efficiency for both us and our customers.

Supplier and Customer Concentrations

A-Mark buys a majority of its precious metals from a limited number of suppliers. The Company believes that numerous other suppliers are available and would provide similar products on comparable terms.

For the years ended June 30, 2015 and 2014, the Company had one customer, HSBC Bank USA, comprising more than 10% of our revenues (see Note 15.)

Trading Competition

A-Mark's activities cover a broad spectrum of the precious metals industry, with a concentration on the physical market. We service public, industrial and private sector consumers of precious metals which include jewelry manufacturers, industrial consumers, refiners, minting facilities, banks, brokerage houses and private investors. We face different competitors in each area and it is not uncommon for a customer and/or a supplier in one market segment to be a competitor in another. Our competitors may offer more favorable pricing or services considered to be superior to ours.

Trading Seasonality

While our precious metals trading business is not seasonal, we believe it is directly impacted by the perception of market trends and global economic activity. Historically, anticipation of increases in the rate of inflation, as well as anticipated devaluation of the U.S. dollar, has resulted in higher levels of interest in precious metals as well as higher prices for such metals.

Employees

As of June 30, 2015, we had 52 employees, with 48 located in North America, and 4 in Europe; all of these employees were considered full-time employees. We added 61 employees (60 full-time; 1 part-time) with the opening of our Logistics operation in the first quarter of fiscal 2016.

We regard our relations with our employees as good.

Corporate Information

A-Mark was founded in 1965 as a New York corporation. In December 2013, the Company was reincorporated in Delaware. Our executive offices are located at 429 Santa Monica Blvd. Suite 230, Santa Monica, CA 90401. Our telephone number is (310) 587-1477, and our website is www.amark.com. Through this website, we make available, free of charge, all of our filings with the Securities and Exchange Commission (SEC), including those under the

Exchange Act of 1934, as amended (Exchange Act). Such reports are made available on the same day that they are electronically filed with, or furnished to, the SEC. In addition, copies of our Code of Business Conduct and Ethics for Employees, Code of Business Conduct and Ethics for Senior Financial and Other

Table of Contents

Officers, and Code of Business Conduct and Ethics for Directors are available through this website, along with other information regarding our corporate governance policies.

Geographic Information

See Note 16 in the accompanying consolidated financial statements for information about Company's geographic operations.

ITEM 1A. RISK FACTORS

Risks Relating to Our Business Generally

Our business is heavily dependent on our credit facility.

Our business depends substantially on our ability to obtain financing for our operations. A-Mark's borrowing facility, which we refer to as the Trading Credit Facility, provides A-Mark and CFC with the liquidity to buy and sell billions of dollars of precious metals annually. The Trading Credit Facility is a demand facility with a variable interest rate in which five lending institutions currently participate. A-Mark routinely uses the Trading Credit Facility to purchase metals from its suppliers and for operating cash flow purposes. Our CFC subsidiary also uses the facility to finance its lending activities.

An institutional participant in the Trading Credit facility can withdraw at any time on written notice to the Company. The loss of one or more of the lines under the Trading Credit Facility, and the failure of A-Mark to replace those lines, would reduce the financing available to the Company and could limit our ability to conduct our business, including the lending activity of our CFC subsidiary. There can be no assurance that we could procure replacement financing if all or part of the Trading Credit Facility were terminated, on commercially acceptable terms and on a timely basis, or at all.

Because the Trading Credit Facility is a demand facility, the lenders may require us to repay the indebtedness outstanding under the facility at any time. They may require repayment of the indebtedness even if we are in compliance with the financial and other covenants under the Trading Credit Facility. If the lenders were to demand repayment, we may not at the time have the financial resources to comply.

Because interest under the Trading Credit Facility is variable, we are subject to fluctuations in interest rates 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 facility. Amounts under the Trading Credit Facility bear interest based on one month LIBOR plus a margin and vary by financial institution. The LIBOR rate was approximately 0.19% and 0.15% as of June 30, 2015 and June 30, 2014, respectively.

A change in the rates of interest charged by the lenders could adversely impact our profitability in a number of ways.

- The prices that we charge our trading customers include an interest carrying factor that reflects our cost of funds. The trading business is highly price competitive, and characterized by narrow margins. If our cost of funds increases and we cannot pass on the increase to our customers, our gross profit will decrease.
- We borrow to finance, in part, our inventory of precious metals and coins. If our interest costs increase, we would either have to absorb the increased costs, cutting into our margins, or reduce our inventory levels, which could adversely impact our ability to service our customers.
- In certain cases, our ability to offer customers financing for their purchases of precious metals and coins at competitive rates is an important factor the customers' decision to transact with us. The financing we provide to our customers is funded, in part, through the borrowings under our credit facility. If our borrowing costs increase, and our customers are unwilling to finance their purchases at the higher rates, we would lose sales.

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 most 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 for periods of between 8 and 9 days.
- The Company operates a financing business through CFC that 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 80%. These loans are both variable and fixed interest rate loans, with maturities from six to twelve

months.

Table of Contents

- 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, (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 inadequate.

Our business is dependent on a concentrated customer base.

One of A-Mark's key assets is its customer base. 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. A single customer represented 30.9% and 25.9% of A-Mark's revenues for the years ended June 30, 2015 and 2014, respectively. If our relationship with this customer deteriorated, or if we were to lose this customer, our business would 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 materially adverse effect on our business.

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 on site, 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. In addition, with the establishment of our Logistics facility and the transfer of our wholesale storage operations from third party depositories to that facility, we are assuming greater potential liability for any loss suffered in connection with the stored inventory. Among other things, our insurance, rather than the third-party depository’s, is now the primary risk policy. While we believe we have adequate insurance coverage covering these operations, in the event of any loss in excess of our coverage, we may be held liable for that excess.

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.

Table of Contents

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.

We have significant operations outside the United States.

We derive over 10% 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.

We are dependent on our key management personnel and our trading experts.

Our performance is dependent on our senior management and certain other key employees. We have employment agreements with Greg Roberts, our CEO; Thor Gjerdrum, our COO; and our senior vice president. These employment agreements all expire at the end of fiscal 2016. These and other employees have expertise in the trading markets, 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 materially and adversely affect our business.

We are focused on growing our business, but there is no assurance that we will be successful.

We expect to grow both organically and through opportunistic acquisitions. We have devoted considerable time, resources and efforts over the past few years to our growth strategy. We may not be successful in implementing our growth initiatives, which could adversely affect our business.

With the establishment of our Logistics facility, we are undertaking direct responsibility for comprehensive inventory and depository services to support our wholesale operations beyond that which we have provided in the past. We may not have the expertise to perform such services successfully. In addition, we have no prior experience offering the type of turn-key logistics services to our retail customers that Logistics intends to provide. The efforts to establish and operate Logistics have placed, and are expected to continue to place, demands on our management and other personnel and resources, and have required, and will continue to require, timely and continued investment in facilities, personnel and financial and management systems and controls. If we are not successful with our Logistics operations, our operations as a whole could be adversely affected.

Our bank group has approved our Logistics facility 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.

Liquidity constraints may limit our ability to grow our business.

To accomplish our growth strategy, we will require adequate sources of liquidity to fund both our existing business and our expansion activity. Currently, our sources of liquidity are the cash that we generate from operations and our borrowing availability under the Trading Credit Facility. There can be no assurance that these sources 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.

Table of Contents

We expect to grow in part through acquisitions, but an acquisition strategy entails risks.

We expect to grow in part through acquisitions. We will consider potential acquisitions of varying sizes and may, on a selective basis, pursue acquisitions or consolidation opportunities involving other public companies or privately held companies. However, it is possible that we will not realize the expected benefits from our acquisitions or that our existing operations will be adversely affected as a result of acquisitions. Acquisitions entails certain risks, including: unrecorded liabilities of acquired companies that we fail to discover during our due diligence investigations; difficulty in assimilating the operations and personnel of the acquired company within our existing operations or in maintaining uniform standards; loss of key employees of the acquired company; and strains on management and other personnel time and resources both to research and integrate acquisitions.

We expect to pay for future acquisitions using cash, capital stock, notes and/or assumption of indebtedness. To the extent that our existing sources of cash are not sufficient to fund future acquisitions, we will require additional debt or equity financing and, consequently, our indebtedness may increase or shareholders may be diluted as we implement our growth strategy.

We are subject to government regulations, and the cost of compliance could increase.

There are various federal, state, local and foreign laws, ordinances and regulations that affect our trading business. For example, we are required to comply with a variety of anti-money laundering and know-your customer rules in response to the USA Patriot Act.

The SEC has promulgated final 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 new rules require due diligence to determine whether such minerals originated from the Democratic Republic of Congo (the 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 Corporations. 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 Corporations may audit the books and records of CFC to determine whether CFC is in compliance with the terms of its lending license.

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.

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 trading 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 trading 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.

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. 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 our systems are breached, damaged or cease to function properly, we may have to make a significant investment to fix or replace them, we may suffer interruptions in our ability to provide quotations or trading services in the interim, and we may face costly litigation.

Table of Contents

If our customer data were breached, we could suffer damages and loss of reputation.
By the nature of our business, we maintain significant amounts of customer data on our systems. Moreover, certain third party providers have access to confidential data concerning the Company in the ordinary course of their business relationships with the Company. In recent years, various companies, including companies that are significantly larger than us, have reported breaches of their computer systems that have resulted in the compromise of customer data. Any significant compromise or breach of customer or company data held or maintained by either the Company or our third party providers could significantly damage our reputation and result in costs, lost trades, fines and lawsuits. The regulatory environment related to information security and privacy is increasingly rigorous, with new and constantly changing requirements applicable to our business, and compliance with those requirements could result in additional costs. There is no guarantee that the procedures that we have implemented to protect against unauthorized access to secured data are adequate to safeguard against all data security breaches.
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, which could materially adversely affect our business, liquidity and results of operations.
This volatility may drive fluctuation of our revenues, as a consequence of which our results for any one period may not be indicative of the results to be expected for any other period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."
Our business is exposed to commodity price risks, and our hedging activity to protect our inventory is subject to risks of default by our counterparties.
A-Mark's precious metals inventories are subject to market value changes created by change 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. Any such default could have a material adverse effect on our financial position and results of operations.
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 our credit facility. If commodity prices were to rise substantially, and we were unable to modify the terms of our 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.
The Dodd-Frank Act could adversely impact our use of derivative instruments to hedge precious metal prices and may have other adverse effects on our business.
On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires the Commodity Futures Trading Commission to promulgate rules and regulations implementing the new legislation, including with respect to derivative contracts on commodities. This legislation and any implementing regulations could significantly increase the cost of some commodity derivative contracts (including through requirements to post collateral, which could adversely affect our available liquidity), materially alter the terms

of some commodity derivative contracts, reduce the availability of some derivatives to protect against risks, reduce our ability to monetize or restructure our existing commodity derivative contracts and potentially increase our exposure to less creditworthy counterparties. If we reduce our use of derivatives as a result of the Dodd-Frank legislation and regulations, we would be exposed to inventory and other risks associated with fluctuations in commodity prices. Also, if the Dodd-Frank legislation and regulations result in less volatility in commodity prices, our revenues could be adversely affected.

Table of Contents

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 or other factors. The Company may also experience risk of loss if futures commission merchants or commodity brokers with whom the Company deals were to become insolvent or bankrupt.

Risks Relating to Our Common Stock

Public company costs have increased our expenses and administrative burden, in particular in order to bring our Company into compliance with certain provisions of the Sarbanes Oxley Act of 2002.

As a public company, we are incurring significant legal, accounting and other expenses that we did not incur as a private company. These increased costs and expenses may arise from various factors, including financial reporting costs associated with complying with federal securities laws (including compliance with the Sarbanes-Oxley Act of 2002).

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, and related regulations implemented by the SEC and NASDAQ have created uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. We are currently evaluating and monitoring developments with respect to new and proposed rules and cannot predict or estimate the amount of the additional costs we may incur or the timing of such costs. Applicable laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased selling, general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of Sarbanes-Oxley could have a material adverse effect on our business.

As a public company, we are required to document and test our internal control over financial reporting in order to satisfy the requirements of Section 404 of Sarbanes-Oxley, which requires annual management assessments of the effectiveness of our internal control over financial reporting.

We are required to implement standalone policies and procedures to comply with the requirements of Section 404. During the course of our testing of our internal controls and procedures, we may identify deficiencies which we may not be able to remediate in time to meet our deadline for compliance with Section 404. Testing and maintaining internal controls can divert our management's attention from other matters that are also important to the operation of our business. We also expect that the imposition of these regulations will increase our legal and financial compliance costs and make some activities more difficult, time consuming and costly. We may not be able to conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. If we are unable to conclude that we have effective internal controls over financial reporting, then investors could lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our common stock. In addition, if we do not maintain effective internal controls, we may not be able to accurately report our financial information on a timely basis, which could harm the trading price of our common stock, impair our ability to raise additional capital, or jeopardize our continued listing on the NASDAQ Global Select Market or any other stock exchange on which common stock may be listed.

The Company has determined that it qualifies as a smaller reporting company as of December 31, 2014. As such, it is not categorized as an accelerated filer for the fiscal year ended June 30, 2015. Therefore, the Company is not required

to obtain a report by our independent registered public accounting firm that addresses the effectiveness of internal control over financial reporting for that year. The Company will continue to be exempt from the requirement of obtaining such a report unless and until it meets the definition of an accelerated filer.
We may not be able to continue to pay dividends.
Effective March 2, 2015, the Board of Directors approved a cash dividend policy calling for the payment of a quarterly cash dividend of $0.05 per common share. Under the approved cash dividend policy, the declaration of 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

Table of Contents

financial performance, available cash resources, cash requirements, bank covenants, and alternative uses of cash that the Board of Directors may conclude would represent an opportunity to generate a greater return on investment for the Company. Accordingly, there can be no assurance that the Company will continue to pay dividends on a regular basis. If the Board of Directors were to determine not to pay dividends in the future, shareholders would not receive any further return on an investment in our capital stock in the form of dividends, and may only obtain an economic benefit from the common stock only after an increase in its trading price and only by selling the common stock.

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 shareholders to effect certain corporate actions and set forth rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings.

We believe these provisions protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board and by providing our board with more time to assess any acquisition proposal. However, these provisions apply even if an acquisition offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our board determines is not in the best interests of our company and our shareholders. 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 shareholders, but certain shareholders believe that such a transaction would be beneficial to the Company and its shareholders, such shareholders may elect to sell their shares in the Company and the trading price of our common stock could decrease.

Your percentage ownership in the Company could be diluted in the future.

Your percentage ownership in A-Mark potentially will be diluted in the future because of additional equity awards that we expect will be granted to our directors, officers and employees in the future. We have established an equity incentive plan that provides for the grant of common stock-based equity awards to our directors, officers and other employees. In addition, we may issue equity in order to raise capital or in connection with future acquisitions and strategic investments, which would dilute your percentage ownership.

Our board and management beneficially own a sizeable percentage of our common stock and therefore have the ability to exert substantial influence as shareholders.

Members of our board and management beneficially own over 45% of our outstanding common stock. Acting together in their capacity as shareholders, the board members and management could exert substantial influence over matters on which a shareholder 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 shareholder proposals. The concentration of beneficial ownership in the hands of our board and management may therefore limit the ability of our public shareholders to influence the affairs of the Company.

If the Company's spinoff from SGI is determined to be taxable for U.S. federal income tax purposes, our shareholders could incur significant U.S. federal income tax liabilities.

In connection with the spinoff, SGI received the written opinion of Kramer Levin Naftalis & Frankel LLP (Kramer Levin)to the effect that the spinoff qualified as a tax-free transaction under Section 355 of the Internal Revenue Code, and that for U.S. federal income tax purposes (i) no gain or loss was recognized by SGI upon the distribution of our common stock in the spinoff, and (ii) no gain or loss was recognized by, and no amount was included in the income of, holders of SGI common stock upon the receipt of shares of our common stock in the spinoff. The opinion of tax counsel is not binding on the Internal Revenue Service or the courts, and there is no assurance that the IRS or a court will not take a contrary position. In addition, the opinion of Kramer Levin relied on certain representations and covenants delivered by SGI and us. If, notwithstanding the conclusions included in the opinion, it is ultimately determined that the distribution does not qualify as tax-free for U.S. federal income tax purposes, each SGI shareholder that is subject to U.S. federal income tax and that received shares of our common stock in the distribution could be treated as receiving a taxable distribution in an amount equal to the fair market value of such shares. In addition, if the distribution were not to qualify as tax-free for U.S. federal income tax purposes, then SGI would recognize gain in an amount equal to the excess of the fair market value of our common stock distributed to SGI shareholders on the date of the distribution over SGI's tax basis in such shares. Also, we could have an indemnification obligation to SGI related to its tax liability.

Table of Contents

We might not be able to engage in desirable strategic transactions and equity issuances because of restrictions relating to U.S. federal income tax requirements for tax-free distributions.

Our ability to engage in significant equity transactions is restricted in order to preserve for U.S. federal income tax purposes the tax-free nature of the distribution by SGI. Even if the distribution otherwise qualifies for tax-free treatment under Section 355 of the Internal Revenue Code, it may be taxable to SGI if 50% or more, by vote or value, of shares of our common stock or SGI's common stock are acquired or issued as part of a plan or series of related transactions that includes the distribution. For this purpose, any acquisitions or issuances of SGI's common stock within two years before the distribution, and any acquisitions or issuances of our or SGI's common stock within two years after the distribution, generally are presumed to be part of such a plan, although we or SGI may be able to rebut that presumption. If an acquisition or issuance of shares of our common stock or SGI's common stock triggers the application of Section 355(e) of the Code, SGI would recognize a taxable gain to the extent the fair market value of our common stock immediately prior to the distribution exceeds SGI's tax basis in our common stock at such time. Under the tax separation agreement, there are restrictions on our ability to take actions that could cause the distribution to fail to qualify for favorable treatment under the Internal Revenue Code. These restrictions may prevent us from entering into transactions which might be advantageous to us or our shareholders.

There can be no assurance that SGI will not enter insolvency proceedings.

There is no assurance that, in the future, SGI will not be subject to bankruptcy or other insolvency proceedings. If that were the case, SGI creditors may allege that SGI was insolvent at the time of the distribution, or was rendered insolvent as a result of the distribution, such that the distribution constituted a fraudulent conveyance, and such creditors could seek to recover the A-Mark shares distributed in the spinoff or their value.

As disclosed in SGI's Annual Report on Form 10-K, in May 2006, Spanish judicial authorities shut down the operations of Afinsa and began an investigation related to alleged criminal wrongdoing, including money laundering, fraud, tax evasion and criminal insolvency. The Spanish criminal investigation initially focused on Afinsa and certain of its executives and was later expanded to include several former officers and directors of SGI and Central de Compras, including Greg Manning, a former chief executive officer of SGI. The allegations against Afinsa and the certain named individuals relate to the central claim that Afinsa's business operations constituted a fraudulent "Ponzi scheme," whereby funds received from later investors were used to pay interest to earlier investors, and that the stamps that were the subject of the investment contracts were highly overvalued. Spanish authorities have alleged that Mr. Manning knew Afinsa's business, and aided and abetted in its activity by, among other things, causing SGI to supply allegedly overvalued stamps to Afinsa.

The Company understands that under Spanish law, if any of the former officers or directors of SGI or its subsidiary were ultimately found guilty, then, under the principle of secondary civil liability, SGI could be held liable for certain associated damages.

Mr. Manning, other former directors and officers of SGI, and SGI itself, on a secondary civil liability basis, are parties to the proceedings. The charges include a civil demand for substantial monetary damages.

We cannot predict the outcome of the proceedings, and we cannot assure you that the solvency of SGI could not be deemed to be affected by the proceedings.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our headquarters is located in Santa Monica, California and our trading desk operations are conducted from facilities in Santa Monica, California and Vienna, Austria. In July 2015, we opened our logistics fulfillment center in Las Vegas, Nevada. Below is a table summarizing the properties we occupied during the year ended June 30, 2015.

Location	Square Footage	Lease Term/Expiration
Santa Monica, California	7,100	April 2017
Las Vegas, Nevada	14,000	April 2020
Vienna, Austria	2,100	September 2016

On August 28, 2015, Logistics entered into an amendment to its lease agreement with the landlord of the Nevada facility to expand the leased premises by an additional approximately 3,600 square feet, resulting in total leased premises of approximately 17,600 square feet.

Table of Contents

ITEM 3. LEGAL PROCEEDINGS

We are party to various legal proceedings arising in the ordinary course of its business. Based on the information currently available, we are not currently a party to any legal proceeding that management believes would have a material adverse effect on our consolidated financial position, cash flows or operations.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

SGI effected the spinoff of A-Mark on March 14, 2014. On March 17, 2014, A-Mark’s shares of common stock commenced trading on the NASDAQ Global Select Market under the symbol "AMRK."

As of September 22, 2015, there were 646 registered stockholders of record of our common stock and the last reported sale price of our stock as reported by the NASDAQ Global Select Market was $11.48.

The following table sets forth the range of high and low closing prices for our common stock for each full quarterly period during fiscal 2015 and 2014, as reported by the NASDAQ Global Select Market. These quotations below reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	2015		2014	
Quarter	High	Low	High	Low
First	$12.04	$11.20	N/A	N/A
Second	$11.15	$9.44	N/A	N/A
Third	$10.74	$9.61	N/A	N/A
Fourth	$10.96	$10.08	$13.08	$10.87

Issuer Purchases of Equity Securities

None.

Dividend Policy

During year ended June 30, 2015, the Board of Directors of the Company initiated a cash dividend policy that calls for the payment of a quarterly cash dividend of $0.05 per common share. The first quarterly cash dividend was paid on March 20, 2015 to stockholders of record at the close of business on March 12, 2015. The second quarterly cash dividend was paid on May 25, 2015 to stockholders of record at the close of business on May 14, 2015.

During the year ended June 30, 2014, the Company declared and paid a $10.0 million cash dividend to its Former Parent, SGI.

A-Mark’s credit facility has certain restrictive financial covenants that require A-Mark to maintain a minimum tangible net worth (as defined) of $35.0 million. Our ability to continue to pay dividends could be limited as a result of this covenant.

Table of Contents

Equity Compensation Plan Information

The following table provides information as of June 30, 2015, with respect to the shares of our common stock that may be issued under existing equity compensation plans.

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights		(b) Weighted average exercise price of outstanding options, warrants and rights		(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))	
Equity compensation plans approved by security holders	328,415	(1)	$8.40	(2)	622,000	(3)
Equity compensation plans not approved by security holders(3)	—		—		—	
Total	328,415		$8.40		622,000	

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(1) Consists of stock options and restricted stock units granted by A-Mark to replace outstanding SGI stock options and restricted stock units in connection with the spinoff and options issued by A-Mark subsequent to the spinoff. The former SGI equity awards had been granted by SGI under its 2012 Stock Award and Incentive Plan (2012 Plan) and its 1997 Stock Incentive Plan, as amended (1997 Plan). The terms of the 2012 Plan and 1997 Plan governing equity awards generally apply to the replacement awards granted by A-Mark, but A-Mark was not and is not authorized to grant equity awards under those Plans other than the equity awards that directly replaced the former SGI equity awards.

(2) Weighted average exercise price is calculated including RSUs, which for this purpose are treated as having an exercise price of zero. If calculated solely for options and stock appreciation rights that have an exercise price, the weighted average exercise price of outstanding options, warrants and rights at June 30, 2015 was $11.39.

(3) These shares are available for future issuance under A-Mark's 2014 Stock Award and Incentive Plan (2014 Plan). All 2014 Plan shares are available for awards of stock options, stock appreciation rights, restricted stock units, restricted stock and other "full-value" awards.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Pursuant to the Private Securities Litigation Reform Act of 1995

This Annual Report on Form 10-K ("Form 10-K") contains statements that are considered forward-looking statements. Forward-looking statements give the Company's current expectations and forecasts of future events. All statements other than statements of current or historical fact contained in this Annual Report, including statements regarding the Company's future financial position, business strategy, budgets, projected costs and plans and objectives of management for future operations, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “plan,” and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. These statements are based on the Company's current plans, and the Company's actual future activities and results of operations may be materially different from those set forth in the forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Any or all of the forward-looking statements in this Annual Report may turn out to be inaccurate. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. The forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and assumptions. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events occurring after the date hereof. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained in this Form 10-K.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and notes contained elsewhere in this Form 10-K. This discussion contains forward-

Table of Contents

looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this Annual Report, particularly in "Risk Factors."

Introduction

Management's discussion and analysis of financial condition and results of operations is provided as a supplement to the accompanying consolidated financial statements and related notes to help provide an understanding of our results of operations and financial condition. Our discussion is organized as follows:

- Executive overview. This section provides a general description of our business, as well as significant transactions and events that we believe are important in understanding the results of operations.
- Results of operations. This section provides an analysis of our results of operations presented in the accompanying consolidated statements of income by comparing the results for the respective years. Included in our analysis is a discussion of two performance metrics: (i) inventory turnover ratio and (ii) number of secured loans at year-end. Our inventory turnover ratio is a measure of how quickly inventory has moved during the past twelve months. The majority of the Company's trading activities involve two day value trades that produce slim gross margin percentages. The inventory turnover ratio measures the efficiency of our trading activity and the liquidity of our inventory. The number of secured loans at year-end, together with the aggregate of secured loans outstanding, are indicators of the size of our finance lending business.
- Financial condition and liquidity and capital resources. This section provides an analysis of our cash flows, as well as a discussion of our outstanding debt that existed as of June 30, 2015. Included in the discussion of outstanding debt is a discussion of the amount of financial capacity available to fund our future commitments, as well as a discussion of other financing arrangements.
- Critical accounting estimates. This section discusses those accounting policies that both are considered important to our financial condition and results, and require significant judgment and estimates on the part of management in their application. In addition, all of our policies, including critical accounting policies, are summarized in Note 2 to the accompanying consolidated financial statements.
- Recent accounting pronouncements. This section discusses new accounting pronouncements, dates of implementation and impact on our accompanying consolidated financial statements, if any.

Executive Overview

Our Business

A-Mark is a full-service precious metals trading company, and an official distributor for many government mints throughout the world. We offer gold, silver, platinum and palladium in the form of bars, plates, powder, wafers, grain, ingots and coins. Our Industrial unit services manufacturers and fabricators of products utilizing or incorporating precious metals. Our Coin & Bar unit deals in over 200 coin and bar products in a variety of weights, shapes and sizes for distribution to dealers and other qualified purchasers. We have trading centers in Santa Monica, California and Vienna, Austria for buying and selling precious metals. In addition to wholesale trading activity, A-Mark offers its customers a variety of services, including financing, consignment, logistics and various customized financial programs. As a U.S. Mint-authorized purchaser of gold, silver and platinum coins, A-Mark purchases product directly from the U.S. Mint and other sovereign mints for sale to its customers.

Through our subsidiary Collateral Finance Corporation, referred to as CFC, a licensed California Finance Lender, we offer loans collateralized by numismatic and semi-numismatic coins and bullion to coin and precious metal dealers, investors and collectors. Through our Transcontinental Depository Services subsidiary, referred to as TDS, we offer a variety of managed storage options for precious metals products to financial institutions, dealers, investors and collectors around the world. TDS started doing business in 2012. Our financing business generates interest income that is not classified as revenues. If interest income generated by the financing business were classified as revenues, it would represent less than 1% of our total revenues for each of the periods presented. Our storage business generates less than 1% of total revenues for each of the periods presented.

In fiscal 2015, the Company formed a wholly-owned subsidiary, A-M Global Logistics, LLC, referred to as Logistics, which began operating the Company's logistics fulfillment center based in Las Vegas, Nevada in July 2015.

17

Table of Contents

Our Strategy

The Company has grown from a small numismatics firm in 1965 to a significant participant in the bullion and coin markets, with approximately $6.0 billion in revenues for the year ended June 30, 2015. Our strategy continues to focus on growth, including the volume of our business, our geographic presence, particularly in Europe, and the scope of complementary products and services that we offer to our customers. We intend to promote our growth by leveraging off of our existing, integrated operations; the depth of our customer relations; our access to market makers, suppliers and government mints and other mints; our trading offices in the U.S. and Europe, which are open 17 hours a day 5 days a week; our expansive precious metals dealer network; our depository relationships around the world; our knowledge of secured lending; our logistics capabilities; our trading expertise; and the quality and experience of our management team.

Our Customers

The Company sells gold, silver, platinum and palladium products to a wide array of customers, including financial institutions, bullion retailers, industrial manufacturers, and sovereign mints. The Company makes a two way market, which results in many customers also operating as our suppliers. This diverse base of customers purchases a variety of products from the Company in a multitude of grades primarily in the form of coins and bars.

Factors Affecting Revenues and Gross Profits

The Company operates in a high volume/low margin industry. Revenues are impacted by three primary factors: product volume, market prices and market volatility. A material change in any one or more of these factors may result in a significant change in the Company's revenues. A significant increase or decrease in revenues can occur simply based on changes in the underlying commodity prices and may not be reflective of an increase or decrease in the volume of products sold.

Gross profit is the difference between our revenues and the cost of our products. Since we quote prices based on the current commodity market prices for precious metals, we enter into a combination of forward and futures contracts to effect a hedge position equal to the underlying precious metal commodity value, which substantially represents inventory subject to price risk. We enter into these derivative transactions solely for the purpose of hedging our inventory, and not for speculative purposes. Our gross profit includes the gains and losses resulting from these derivative instruments. However, the gains and losses on the derivative instruments are substantially offset by the gains and losses on the corresponding changes in the market value of our precious metals inventory. As a result, our results of operations generally are not materially impacted solely by changes in commodity prices.

Volatility also affects our gross profits. Greater volatility typically causes the trading spreads to widen resulting in an increase in the gross profit. Product supply constraints during extended periods of higher volatility has historically resulted in a heightening of wider trading spreads resulting in further improvement in the gross profit.

The Company has also been able recently to increase incremental margins, with corresponding positive contributions to gross profits, through certain distribution contracts and strategic partnerships. Under these arrangements, the Company sells unique bullion products to distributors for marketing to the retail public, under its standard trading terms with no right of return. The related distribution contracts provide the Company with higher margins than its ordinary trading activities.

Fiscal Year

Our fiscal year end is June 30 each year. Unless otherwise stated, references to years in this report relate to fiscal years rather than to calendar years.

Table of Contents

RESULTS OF OPERATIONS

Overview of Results of Operations for the Years Ended June 30, 2015 and 2014

Consolidated Results of Operations

The operating results of our business for the years ended June 30, 2015 and 2014 are as follows:

in thousands, except per share data and performance metrics

Years Ended June 30,	2015		2014		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Revenues	$6,070,234	100.000 %	$5,979,354	100.000 %	$ 90,880	1.5 %
Gross profit	24,498	0.404 %	27,441	0.459 %	$ (2,943)	(10.7)%
Selling, general and administrative expenses	(17,131)	(0.282)%	(15,570)	(0.261)%	$ 1,561	10.0 %
Interest income	6,073	0.100 %	5,592	0.094 %	$ 481	8.6 %
Interest expense	(4,311)	(0.071)%	(3,926)	(0.066)%	$ 385	9.8 %
Unrealized gains (losses) on foreign exchange	19	— %	(6)	— %	$ 25	NM
Net income before provision for income taxes	9,148	0.151 %	13,531	0.226 %	$ (4,383)	(32.4)%
Provision for income taxes	(2,097)	(0.035)%	(5,272)	(0.088)%	$ (3,175)	(60.2)%
Net income	$7,051	0.116 %	$8,259	0.138 %	$ (1,208)	(14.6)%
Per Share Data:						
Basic	$1.01		$1.10 (1)		$ (0.09)	(8.2)%
Diluted	$1.00		$1.09 (1)		$ (0.09)	(8.3)%
Performance Metrics:						
Inventory turnover ratio	32.9 (2)		35.2 (2)		(2.3)	(6.5)%
Number of secured loans at year end	346 (3)		128 (3)		218	170.3 %

NM Not meaningful.

(1) Basic and diluted income per share was based on historical SGI basic and fully diluted share figures through March 14, 2014, the distribution date. Amounts shown were retroactively adjusted to give effect for the share distribution in connection with the spinoff, on the basis of one share of A-Mark stock issued for every four shares of SGI stock held through the distribution date. Thereafter, basic and diluted income per share was based on the Company's historical basic and fully diluted share figures.

(2) Inventory turnover ratio is the cost of sales divided by average inventory, measured at recorded fair value.

(3) Number of outstanding secured loans to customers at year end.

Table of Contents

Revenues

Years Ended June 30,	2015			2014			$	%	
	$	% of revenue		$	% of revenue		Increase/(decrease)	Increase/(decrease)	
Revenues	$6,070,234	100.000	%	$5,979,354	100.000	%	$ 90,880	1.5	%

Revenues for the year ended June 30, 2015 increased $90.9 million, or 1.5%, to $6.070 billion from $5.979 billion in 2014. Our revenues increased primarily due to an increase in the total number of silver ounces sold partially offset by a decrease in gold ounces sold during the year ended June 30, 2015 as compared to 2014. A factor constraining the increase in our revenues was the decrease in commodity prices; the average spot prices for gold declined 5.7% and average spot prices for silver declined 15.4% during the year ended June 30, 2015 as compared to 2014.

Gross Profit

Years Ended June 30,	2015			2014			$		%	
	$	% of revenue		$	% of revenue		Increase/(decrease)		Increase/(decrease)	
Gross profit	$24,498	0.404	%	$27,441	0.459	%	$ (2,943	)	(10.7	)%
Inventory turnover ratio	32.9			35.2			(2.3	)	(6.5	)%

Gross profit for the year ended June 30, 2015 decreased by $2.9 million, or 10.7%, to $24.5 million from $27.4 million in 2014. The Company’s profit margin decreased primarily due to lower premium spreads on the Company’s primary products, offset by higher sales volumes of our primary silver products, coupled with sales of higher margin value-added products. Our inventory turnover rate decreased by 6.5% to 32.9 from 35.2 as compared to 2014. This decrease in the inventory turnover rate was primarily due to an increase in the carry length associated with the Company’s development of foreign markets and the longer carry periods associated with higher margin value added products, which resulted in the Company carrying higher inventory levels in foreign and domestic locations at lower turnover rates, compared to 2014.

Selling, General and Administrative Expenses

Years Ended June 30,	2015			2014			$	%	
	$	% of revenue		$	% of revenue		Increase/(decrease)	Increase/(decrease)	
Selling, general and administrative expenses	$(17,131)	(0.282	)%	$(15,570)	(0.261	)%	$ 1,561	10.0	%

Selling, general and administrative expenses for the year ended June 30, 2015 increased $1.6 million, or 10.0%, to $17.1 million from $15.6 million in 2014. The increase is primarily due to the operational cost of a logistic center established to provide fulfillment services to our customers, administrative expenses associated with being a public company, including the addition of key personnel and legal and accounting fees and expenses.

In 2015, the Company expanded its logistics capabilities by relocating to a new facility in Las Vegas, Nevada. The Company began to receive and ship inventory from this facility shortly after June 30, 2015. The Company is proceeding with its plans to reduce the volume of business it does with third-party storage providers over the next twelve months.

Interest Income

The Company enters into secured loans and secured financing structures with its customers under which it charges interest income. The Company offers a number of secured financing options to its customers to finance their precious metals purchases including consignments and other structured inventory finance products. Through its wholly owned subsidiary, CFC, the Company also enters into loans secured by precious metals and numismatic material owned by the borrowers and held by the Company for the term of the loan.

Table of Contents

Years Ended June 30,	2015			2014			$	%	
	$	% of revenue		$	% of revenue		Increase/(decrease)	Increase/(decrease)	
Interest income	$6,073	0.100	%	$5,592	0.094	%	$ 481	8.6	%
Number of secured loans at year-end	346			128			218	170.3	%

Interest income for the year ended June 30, 2015 increased $0.5 million, or 8.6%, to $6.1 million from $5.6 million in 2014. Interest income increased primarily due to an increase in the size of the CFC loan portfolio as well as improvement in certain A-Mark finance products. The improvement in the value of loans outstanding at CFC, which resulted in higher interest income, was due primarily to an increase in the number of CFC borrowers. The number of CFC borrowers increase by 170.3% to 346 from 128 in 2014. This 170.3% increase in the number of secured loans was primarily due to acquisitions of bullion based loan portfolios from a retail customer.

Interest Expense

The Company incurs interest expense as a result of usage under its lines of credit, product financing arrangements and liability on borrowed metals. Also, the Company incurs interest expense as a result of its product financing agreements for the transfer and subsequent re-acquisition of gold and silver at a fixed price to a third-party finance company. Additionally, the Company incurs interest expense when we borrow precious metals from our suppliers under short-term arrangements, which bear interest at a designated rate.

Years Ended June 30,	2015				2014				$	%	
	$		% of revenue		$		% of revenue		Increase/(decrease)	Increase/(decrease)	
Interest expense	$(4,311	)	(0.071	)%	$(3,926	)	(0.066	)%	$ 385	9.8	%

Interest expense for the year ended June 30, 2015 increased $0.4 million, or 9.8% to $4.3 million from $3.9 million in 2014. The increase was related primarily to usage of our lines of credit. We believe the interest rates paid on borrowings under our Trading Credit Facility are consistent with current market interest rates for first lien demand loans secured by inventory and receivables. We utilize our lines of credit extensively for working capital requirements.

Provision for Income Taxes

Our effective rate could be adversely affected by the relative proportions of revenue and income before taxes in the various domestic and international jurisdictions in which we operate. We are also subject to changing tax laws, regulations and interpretations in multiple jurisdictions in which we operate. Our effective rate can also be influenced by the tax effects of purchase accounting for acquisitions and non-recurring charges, which may cause fluctuations between reporting periods.

Years Ended June 30,	2015				2014				$		%	
	$		% of revenue		$		% of revenue		Increase/(decrease)		Increase/(decrease)	
Provision for income taxes	(2,097	)	(0.035	)%	(5,272	)	(0.088	)%	(3,175	)	(60.2	)%

Our provision for income taxes was $2.1 million and $5.3 million for the years ended June 30, 2015 and 2014, respectively. Our effective tax rate was approximately 22.9% and 39.0% for the years ended June 30, 2015 and 2014, respectively. Our effective tax rate differs from the federal statutory rate due to permanent adjustments for nondeductible items and state taxes. In addition, during the fiscal year ended June 30, 2015 the Company's effective tax rate was decreased due to a benefit received under the tax separation agreement with the former parent.

LIQUIDITY AND FINANCIAL CONDITION

Primary Sources and Uses of Cash

Overview

Liquidity is defined as our ability to generate sufficient amounts of cash to meet all of our cash needs. Liquidity is of critical importance to us and imperative to maintain our operations on a daily basis.

A substantial portion of our assets are liquid. As of June 30, 2015, approximately 92% of our assets consisted of cash, customer receivables, and precious metals inventory, measured at fair value. Cash generated from the sales of our precious metals products is our primary source of operating liquidity.

Table of Contents

Typically, we acquire our inventory by: (1) purchasing inventory from our suppliers by utilizing our own capital and lines of credit; (2) borrowing precious metals from our suppliers under short-term arrangements which bear interest at a designated rate, and (3) repurchasing inventory at an agreed-upon price based on the spot price on the specified repurchase date.

In addition, the Company generates cash from earned interest income. Through CFC, the Company enters into secured loans and secured financing structures with its customers under which it charges interest income. The Company offers a number of secured financing options to its customers to finance their precious metals purchases including consignments and other structured inventory finance products. The loans are secured by precious metals and numismatic material owned by the borrowers and held by the Company as security for the term of the loan. Furthermore, our customers may enter into purchase agreements whereby the customer agrees to purchase our inventory at the prevailing spot price for delivery of the product at a specific point in time in the future; interest income is earned from contract date until the material is delivered and paid for in full.

We continually review our overall credit and capital needs to ensure that our capital base, both stockholders' equity and available credit facilities, can appropriately support our anticipated financing needs. The Company also continually monitors its current and forecasted cash requirements, and draw upon and pays down its lines of credit so as to minimize interest expense.

Lines of Credit

in thousands

	June 30, 2015	June 30, 2014	June 30, 2015 Compared to June 30, 2014
Lines of credit	$147,000	$135,200	$11,800

A-Mark has a borrowing facility ("Trading Credit Facility") with a group of financial institutions under an inter-creditor agreement, which provides for lines of credit up to the maximum of the credit facility. All lenders have a perfected, first security interest in all assets of the Company presented as collateral. Loan advances will be available against a borrowing base report of eligible assets in accordance with the inter-creditor agreement currently in place. Pledged collateral comprises assigned and confirmed inventory, trade receivable, trade advances, derivatives, equity and pledged non bullion and bullion loans.

As of June 30, 2015, the maximum of the Trading Credit Facility was $230.0 million. The Company routinely uses the Trading Credit Facility to purchase precious metals from suppliers and for operating cash flow purposes. Amounts under the Trading Credit Facility bear interest based on London Interbank Offered Rate ("LIBOR") plus a margin. The one-month LIBOR rate was approximately 0.19% and 0.15% as of June 30, 2015 and June 30, 2014, respectively. Borrowings are due on demand and totaled $147.0 million and $135.2 million at June 30, 2015 and at June 30, 2014, respectively. The Company is able to access additional credit as needed to finance operations, subject to the overall limits of the Trading Credit Facility and lender approval of the revised borrowing base calculation. The amounts available under the Trading Credit Facility are determined at the end of each week following a specified borrowing base formula. The amounts available under the Trading Credit Facility after taking into consideration current borrowings, based upon the latest approved borrowing bases in effect, totaled $20.9 million and $14.4 million at June 30, 2015 and June 30, 2014, respectively.

The Trading Credit Facility has certain restrictive financial covenants, which require the Company to maintain a minimum tangible net worth. In connection with the new line effective September 12, 2014, the minimum tangible net worth financial covenant under the Trading Credit Facility was increased from $25.0 million to $35.0 million. The Company is in compliance with all restrictive financial covenants as of June 30, 2015. The Company's ability to pay dividends, if it were to elect to do so, could be limited as a result of these restrictions. Each lender has the right to cancel its credit line upon written notice.

Through October 8, 2014, the Trading Credit Facility contained a sub-facility that the Company and SGI (a related party) could draw upon. Amounts available for borrowing under this sub-facility as of June 30, 2015 and June 30, 2014 were $0.0 million and $3.3 million, respectively. On October 8, 2014, SGI paid off its obligations under the sub-facility in full utilizing funds drawn from its line of credit with CFC, and SGI no longer has any right to draw

upon the sub-facility (see Note 11).
Effective July 8, 2015, at the request of the Company, one of six institutional participants in the Company's Trading Credit Facility terminated its credit demand line of $40.0 million. Effective July 10, 2015, the Company obtained a permanent increase in its demand Trading Credit Facility through an increase of the credit demand line of one of five remaining institutional participants from $35.0 million to $45.0 million. Effective September 11, 2015, the Company obtained a permanent increase in its demand Trading Credit Facility through an increase of the credit demand line of another institutional participant from $35.0 million to $40.0 million. As a result, the aggregate line available to the Company under the facility at September 24, 2015 is $205.0 million.

Table of Contents

Liability on Borrowed Metals
in thousands

	June 30, 2015	June 30, 2014	June 30, 2015 Compared to June 30, 2014
Liability on borrowed metals	$9,500	$8,709	$791

We borrow precious metals from our suppliers under short-term arrangements which bear interest at a designated rate. Amounts under these arrangements are due at maturity and require repayment either in the form of precious metals or cash. Our inventories included borrowed metals with market values totaling $9.5 million and $8.7 million at June 30, 2015 and at June 30, 2014, respectively.

Product Financing Agreement
in thousands

	June 30, 2015	June 30, 2014	June 30, 2015 Compared to June 30, 2014
Product financing agreement	$39,425	$24,610	$14,815

The Company has an agreement with a financial institution (a third party) that allows the Company to transfer its gold and silver inventory at a fixed price to this third party. Such agreement allows the Company to repurchase this inventory at an agreed-upon price based on the spot price on the repurchase date. The third party charges monthly interest as a percentage of the market value of the outstanding obligation; such monthly charges are classified in interest expense. These transactions do not qualify as sales and therefore have been accounted for as financing arrangements and reflected in the consolidated balance sheet within product financing obligation. The obligation is stated at the amount required to repurchase the outstanding inventory. Both the product financing arrangement and the underlying inventory (which is entirely restricted) are carried at fair value, with changes in fair value included as component of cost of sales. Such obligation totaled $39.4 million and $24.6 million as of June 30, 2015 and June 30, 2014, respectively.

Secured Loans
in thousands

	June 30, 2015	June 30, 2014	June 30, 2015 Compared to June 30, 2014
Secured loans	$49,316	$41,261	$8,055

The Company is a California license finance lender that makes and acquires commercial loans secured by numismatic and semi-numismatic coins and bullion that affords our customers a convenient means of financing their inventory or collections. Predominantly, most of the Company's secured loans are short-term in nature and do not represent a long term obligation of the Company. The renewal of these instruments is at the discretion of the Company and, as such, provides us with some flexibility in regards to our capital deployment strategies.

Subsequent to fiscal 2015, on July 23, 2015, CFC, a wholly owned subsidiary, entered into a loan agreement and related documents with Stack's Bowers Numismatics, LLC, a related party, providing a secured line of credit in the maximum principal amount of up to $2.5 million, bearing interest at a competitive rate per annum, which is at an interest rate within the range of rates CFC charges its non-related parties. The amount of the initial draw was $1.8 million, which has subsequently been partially repaid. The loan is secured by numismatic and semi-numismatic products.

Dividends
in thousands

	June 30, 2015	June 30, 2014	June 30, 2015 Compared to June 30, 2014
Dividends, declared	$698	$10,000	$(9,302)

In fiscal 2015, the Board of Directors of the Company initiated a cash dividend policy that calls for the payment of a quarterly cash dividend of $0.05 per common share. Two quarterly dividends of $0.05 per common share were paid by the Company

23

Table of Contents

in fiscal 2015. On September 11, 2015, the Board of Directors of the Company declared a quarterly cash dividend of $0.05 per common share to stockholders of record at the close of business on September 24, 2015, which is scheduled to be paid on October 5, 2015.
In fiscal 2014, the dividends that were declared and paid prior to the spinoff were payable to SGI, our Former Parent.
Cash Flows
The majority of the Company's trading activities involve two day value trades under which payment is made in advance of delivery or product is received in advance of payment. The high volume, rapid rate of inventory turn, and high average value per trade can cause material changes in the sources of cash used in or provided by operating activities on a daily basis. The Company manages these variances through its liquidity forecasts and counterparty limits maintaining a liquidity reserve to meet the Company's cash needs. The Company uses various short-term financial instruments to manage the rapid cycle of our trading activities from customer purchase order to cash collections and product delivery, which can cause material changes in the of cash used in or provided by financing activities on a daily basis.
The following summarizes components of our consolidated statements of cash flows for the years ended June 30, 2015 and 2014:
in thousands

June 30,	2015	2014	2015 Compared to 2014
Net cash used in operating activities	$(3,905)	$(16,745)	12,840
Net cash used in investing activities	$(14,178)	$(5,632)	(8,546)
Net cash provided by financing activities	$25,817	$14,005	11,812

Our principal capital requirements have been to fund (i) working capital and (ii) capital expenditures. Our working capital requirements fluctuate with market conditions, the availability of precious metals and the volatility of precious metals commodity pricing.
Net cash used in operating activities
Operating activities used $3.9 million and used $16.7 million in cash for the years ended June 30, 2015 and 2014, respectively, representing a decrease of $12.8 million in the use of cash compared to year ended June 30, 2014. This period over period increase in the of source of funds in operating activities was primarily due to change in net income, and changes in the balances of accounts receivables, and liabilities on borrowed metals, offset by changes in the balances of inventory, income tax receivable, income tax payable, deferred taxes.
Net cash used in investing activities
Investing activities used $14.2 million and used $5.6 million in cash for the years ended June 30, 2015 and 2014, respectively, representing an increase of $8.5 million in the use of cash compared to year ended June 30, 2014. This period over period increase is the result of the change in balance of secured loans of $6.3 million that was primarily due to the acquisitions of loan portfolios, and due to the change in the balance of our investments of $1.5 million.
Net cash provided by financing activities
Financing activities provided $25.8 million and provided $14.0 million in cash for the years ended June 30, 2015 and 2014, respectively, representing an increase of $11.8 million in the source of cash compared to year ended June 30, 2014. This period over period increase in the source of funds provided by financing activities was primarily due to changes in the balance of product financing arrangements of $28.8 million, and in dividends paid of $9.3 million, offset by the change in the balance of our lines of credit of $28.4 million
CAPITAL RESOURCES
We believe that our current cash and cash equivalents, availability under the Trading Credit Facility, and cash we anticipate to generate from operating activities will provide us with sufficient liquidity to satisfy our working capital needs, capital expenditures, investment requirements and commitments through at least the next twelve months.

Table of Contents

CONTRACTUAL OBLIGATIONS, CONTINGENT LIABILITIES AND COMMITMENTS

Counterparty Risk

We manage our counterparty risk by setting credit and position risk limits with our trading counterparties. These limits include gross position limits for counterparties engaged in sales and purchase transactions with us. They also include collateral limits for different types of sale and purchase transactions that counter parties may engage in from time to time.

Commodities Risk and Derivatives

We use a variety of strategies to manage our risk including fluctuations in commodity prices for precious metals. See Note 12 in the accompanying consolidated financial statements. Our inventories consist of, and our trading activities involve, precious metals and precious metal products, whose prices are linked to the corresponding precious metals prices. Inventories purchased or borrowed by us are subject to price changes. Inventories borrowed are considered natural hedges, since changes in value of the metal held are offset by the obligation to return the metal to the supplier. Open sale and purchase commitments in our trading activities are subject to changes in value between the date the purchase or sale price is fixed (the trade date) and the date the metal is received or delivered (the settlement date). We seek to minimize the effect of price changes of the underlying commodity through the use of forward and futures contracts. Our open sale and purchase commitments generally settle within 2 business days, and for those commitments that do not have stated settlement dates, we have the right to settle the positions upon demand.

Our policy is to substantially hedge our underlying precious metal commodity inventory position. We regularly enter into metals commodity forward and futures contracts with major financial institutions to hedge price changes that would cause changes in the value of our physical metals positions and purchase commitments and sale commitments. We have access to all of the precious metals markets, allowing us to place hedges. However, we also maintain relationships with major market makers in every major precious metals dealing center, which allows us to enter into contracts with market makers. Futures and forwards contracts open at June 30, 2015 are scheduled to settle within 30 days.

The Company enters into these derivative transactions solely for the purpose of hedging our inventory holding risk, and not for speculative market purposes. Due to the nature of our hedging strategy, we are not using hedge accounting as defined under, Derivatives and Hedging Topic 815 of the Accounting Standards Codification ("ASC".) Gains or losses resulting from our futures and forward contracts are reported as cost of sales with the related amounts due from or to counterparties reflected as a derivative asset or liability (see Notes 4, 8 and 12 to the accompanying consolidated financial statements.) Gains or losses resulting from the termination of hedge contracts are reported as cost of sales. The Company's gains (losses) on derivative instruments are substantially offset by the changes in fair market value underlying precious metals inventory and open sale and purchase commitments, which is also recorded in cost of sales in the consolidated statements of income.

Net gains (losses) on derivative instruments in the consolidated statements of income totaled $(52.8) million and $(23.1) million for the years ended June 30, 2015 and 2014, respectively (see Note 12.)

Table of Contents

The following table summarizes the results of our hedging activities as follows at June 30, 2015 and at June 30, 2014, showing the precious metal commodity inventory position, net of open sale and purchase commitments, which is subject to price risk:

	June 30, 2015	June 30, 2014
Inventory	$191,501	$175,554
Less unhedgable inventory:		
Commemorative coin inventory, held at lower of cost or market	(1,518)	(2,564)
Premium on metals position	(3,255)	(3,285)
Inventory value not hedged	(4,773)	(5,849)
Subtotal	186,728	169,705
Commitments at market:		
Open inventory purchase commitments	444,023	489,944
Open inventory sales commitments	(249,081)	(190,108)
Margin sale commitments	(12,430)	(15,751)
In-transit inventory no longer subject to market risk	(13,807)	(4,522)
Unhedgable premiums on open commitment positions	528	1,694
Inventory borrowed from suppliers	(9,500)	(8,709)
Product financing obligation	(39,425)	(24,610)
Advances on industrial metals	3,340	8,813
Inventory subject to price risk	310,376	426,456
Inventory subject to derivative financial instruments:		
Precious metals forward contracts at market values	202,323	206,055
Precious metals futures contracts at market values	107,993	220,984
Total market value of derivative financial instruments	310,316	427,039
Net inventory subject to commodity price risk	$60	$(583)

We are exposed to the risk of default of the counter parties to our derivative contracts. Significant judgment is applied by us when evaluating the fair value implications. We regularly review the creditworthiness of our major counterparties and monitor our exposure to concentrations. At June 30, 2015, we believe our risk of counterparty default is mitigated based on our evaluation, the strong financial condition of our counterparties, and the short-term duration of these arrangements.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2015 and June 30, 2014, we had the following outstanding sale and purchase commitments and open forward and future contracts, which are normal and recurring, in nature:

in thousands	June 30, 2015	June 30, 2014
Purchase commitments	$444,023	$489,944
Sales commitments	$(249,081)	$(190,108)
Margin sale commitments	$(12,430)	$(15,751)
Open forward contracts	$202,323	$206,055
Open futures contracts	$107,993	$220,984
Foreign exchange forward contracts	$6,242	$2,684

Table of Contents

The notional amounts of the commodity forward and futures contracts and the open sales and purchase orders, as shown in the table above, are not reflected at the notional amounts in the consolidated balance sheets. The Company records commodity forward and futures contracts at the fair value, which is the difference between the market price of the underlying metal or contract measured on the reporting date and at fair value of trade amount measured on the date the contract was transacted. The fair value of the open derivative contracts are shown as a component of receivables or payables in the accompanying consolidated balance sheets (see Note 4 and Note 8.)

The Company enters into the derivative forward and future transactions solely for the purpose of hedging its inventory holding risk, and not for speculative market purposes. The Company's gains (losses) on derivative instruments are substantially offset by the changes in fair market value underlying precious metals inventory position, including our open sale and purchase commitments (see Note 12). The Company records the derivatives at the trade date, and the corresponding unrealized gains or losses are shown as a component of cost of sales in the consolidated statements of income. We adjust the carrying value of the derivatives to fair value on a daily basis until the transactions are physically settled.

CRITICAL ACCOUNTING ESTIMATES

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). In connection with the preparation of our financial statements, we are required to make estimates and assumptions about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that we believe to be relevant at the time our consolidated financial statements are prepared. On a regular basis, we review our accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could materially differ from our estimates.

Our significant accounting policies are discussed in Note 1 and Note 2, Description of Business and Summary of Significant Accounting Policies, respectively, of the Notes to the accompanying consolidated financial statements that are included in Item 8, Financial Statements, of this Annual Report. We believe that the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, and they require our most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. We have reviewed these critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors.

Revenue Recognition

Revenues are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, no obligations remain and collection is probable. We record sales of precious metals upon the transfer of title, which occurs upon receipt by customer. We record revenues from our metal assaying and melting services after the related services are completed and the effects of forward sales contracts are reflected in revenue at the date the related precious metals are delivered or the contracts expire.

We account for our metals and sales contracts using settlement date accounting. Pursuant to such accounting, we recognize the sales or purchases of the metals at the settlement date. During the period between trade and settlement dates, we have essentially entered into a forward contract that meets the definition of a derivative in accordance with the Derivatives and Hedging Topic 815 of the of the Accounting Standards Codification ("ASC".). We record the derivatives at the trade date; the fair value of the open derivative contracts are shown as a component of receivables or payables in the accompanying consolidated balance sheets. The corresponding unrealized gains or losses are shown as a component of cost of sales in the consolidated statements of income. We adjust the carrying value of the derivatives to fair value on a daily basis until the transactions are physically settled. Sales which are physically settled are recognized at the gross amount in the consolidated statements of income.

Inventories

The Company's inventories primarily include bullion and bullion coins and are acquired and initially recorded at fair market value. The fair market value of the bullion and bullion coins is comprised of two components: (1) published market values attributable to the cost of the raw precious metal, and (2) a published premium paid at acquisition of the metal. The premium is attributable to the additional value of the product in its finished goods form and the market value attributable solely to the premium may be readily determined, as it is published by multiple reputable sources. The premium is included in the cost of the inventory, paid at acquisition, and is a component of the total fair market value of the inventory. The precious metal component of the inventory may be hedged through the use of precious metal commodity positions, while the premium component of our inventory is not a commodity that may be hedged. The Company’s inventories, except for certain lower of cost or market basis products (as described below), are subsequently recorded at their fair market values. The daily changes in the fair market value of our inventory are offset by daily changes in the fair market value of hedging derivatives that are taken with respect to our inventory positions; both the change in the fair market value of the inventory and the change in the fair market value of these derivative instruments are recorded in cost of sales in the consolidated statements of income.

As of June 30, 2015 and June 30, 2014, the unrealized gains (losses) resulting from the difference between market value and cost of physical inventories were $(3.9) million and $3.8 million, respectively. The premium component of market value included in the inventories as of June 30, 2015 and June 30, 2014 totaled $3.3 million and $3.3 million, respectively.

While the premium component included in inventories is marked-to-market, our commemorative coin inventory, including its premium component, is held at the lower of cost or market, because the value of commemorative coins is influenced more by supply and demand determinants than on the underlying spot price of the precious metal content of the commemorative coins. Unlike our bullion coins, the value of commemorative coins is not subject to the same level of volatility as bullion coins because our commemorative coins typically carry a substantially higher premium over the spot metal price than bullion coins. Additionally, neither the commemorative coin inventory nor the premium component of our inventory is hedged. As of June 30, 2015 and June 30, 2014, our commemorative coin inventory totaled $1.5 million and $2.6 million, respectively.

Inventories include amounts borrowed from suppliers under arrangements to purchase precious metals on an unallocated basis. Unallocated or pool metal represents an unsegregated inventory position that is due on demand, in a specified physical form, based on the total ounces of metal held in the position. Amounts under these arrangements require delivery either in the form of precious metals or cash. Corresponding obligations related to liabilities on borrowed metals are reflected on the consolidated balance sheets and totaled $9.5 million and $8.7 million as of June 30, 2015 and June 30, 2014, respectively. The Company mitigates market risk of its physical inventories and open commitments through commodity hedge transactions (see Note 12.)

Inventory includes amounts for obligations under product financing agreement. A-Mark entered into a product financing agreement for the transfer and subsequent re-acquisition of gold and silver at a fixed price to a third party finance company. This inventory is restricted and is held at a custodial storage facility in exchange for a financing fee, by the third party finance company. During the term of the financing, the third party finance company holds the inventory as collateral, and both parties intend to return the inventory to A-Mark at an agreed-upon price based on the spot price on the finance arrangement termination date, pursuant to the guidance in ASC 470-40 Product Financing Arrangements. The third party charges a monthly fee as percentage of the market value of the outstanding obligation; such monthly charge is classified in interest expense. These transactions do not qualify as sales and therefore have been accounted for as financing arrangements and reflected in the consolidated balance sheet within product financing arrangement. The obligation is stated at the amount required to repurchase the outstanding inventory. Both the product financing and the underlying inventory are carried at fair value, with changes in fair value included in cost of sales in the consolidated statements of income. Such obligation totaled $39.4 million and $24.6 million as of June 30, 2015 and June 30, 2014, respectively.

The Company periodically loans metals to customers on a short-term consignment basis, charging interest fees based on the value of the metal loaned. Inventories loaned under consignment arrangements to customers as of June 30, 2015 and June 30, 2014 totaled $5.6 million and $11.1 million, respectively. Such inventories are removed at the time the customer elects to price and purchase the metals, and the Company records a corresponding sale and receivable. Substantially all inventory loaned under consignment arrangements are collateralized for benefit of the Company.

The Company enters into arrangements with certain customers under which A-Mark purchases precious metals products that are subject to repurchase by the customer at the fair value of the of the product on the repurchase date. The Company or the counterparty may typically terminate any such arrangement with 14 days' notice. Upon termination the customer’s rights to repurchase any remaining inventory is forfeited. As of June 30, 2015 and June 30, 2014, included within inventory is $49.1 million and $27.7 million of precious metals products subject to repurchase.

Goodwill and Other Purchased Intangible Assets

We evaluate goodwill and other indefinite life intangibles for impairment annually in the fourth quarter of the fiscal year (or more frequently if indicators of potential impairment exist) in accordance with the Intangibles - Goodwill and Other Topic 350 of the ASC. Other finite life intangible assets are evaluated for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be recoverable. We may first

qualitatively assess whether relevant events and circumstances make it more likely than not that the fair value of the reporting unit's goodwill is less than its carrying value. If, based on this qualitative assessment, we determine that goodwill is more likely than not to be impaired, a two-step impairment test is performed. This first step in this test involves comparing the fair value of each reporting unit to its carrying value, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step in the test is performed, which is measurement of the impairment loss. The impairment loss is calculated by comparing the implied fair value of goodwill, as if the reporting unit has been acquired in a business combination, to its carrying amount. In accordance with ASU No. 2011-08, we performed a qualitative assessment on our goodwill, totaling $4.9 million, and determined no impairment was necessary as of June 30, 2015.
We utilize the discounted cash flow method to determine the fair value of the Company. In calculating the implied fair value of the Company's goodwill, the present value of the Company's expected future cash flows is allocated to all of the other

Table of Contents

assets and liabilities of the Company based on their fair values. The excess of the present value of the Company's expected future cash flows over the amount assigned to its other assets and liabilities is the implied fair value of goodwill.

Estimates critical to these calculations include projected future cash flows, discount rates, royalty rates, customer attrition rates and foreign exchange rates. Imprecision in estimating unobservable market inputs can impact the carrying amount of assets on the balance sheet. Furthermore, while we believe our valuation methods are appropriate, the use of different methodologies or assumptions to determine the fair value of certain assets could result in a different estimate of fair value at the reporting date.

Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our provision for income taxes in each of the tax jurisdictions in which we conduct business, in accordance with the Income Taxes Topic 740 of the ASC. We compute our annual tax rate based on the statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we earn income. Significant judgment is required in determining our annual tax rate and in evaluating uncertainty in its tax positions. We recognize a benefit for tax positions that we believe will more likely than not be sustained upon examination. The amount of benefit recognized is the largest amount of benefit that we believe has more than a 50% probability of being realized upon settlement. We regularly monitor our tax positions and adjust the amount of recognized tax benefit based on our evaluation of information that has become available since the end of our last financial reporting period. The annual tax rate includes the impact of these changes in recognized tax benefits. The difference between the amount of benefit taken or expected to be taken in a tax return and the amount of benefit recognized for financial reporting represents unrecognized tax benefits. These unrecognized tax benefits are presented in the consolidated balance sheet principally within accrued liabilities. We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. Significant judgment is applied when assessing the need for valuation allowances. Areas of estimation include our consideration of future taxable income and ongoing prudent and feasible tax planning strategies.

Should a change in circumstances lead to a change in judgment about the utilization of deferred tax assets in future years, we would adjust related valuation allowances in the period that the change in circumstances occurs, along with a corresponding increase or charge to income. Changes in recognized tax benefits and changes in valuation allowances could be material to our results of operations for any period, but is not expected to be material to our consolidated financial position.

We account for uncertainty in income taxes under the provisions of Topic 740 of the ASC. These provisions clarify the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, and prescribe a recognition threshold and measurement criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The provisions also provide guidance on de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The potential interest and/or penalties associated with an uncertain tax position are recorded in provision for income taxes on the consolidated statements of income. Please refer to Note 9 to the accompanying consolidated financial statements for further discussion regarding these provisions.

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the net deferred tax assets will not be realized. The factors used to assess the likelihood of realization include our forecast of the reversal of temporary differences, future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income in applicable tax jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in our effective tax rate on future earnings.

Based on our assessment it appears more likely than not that most of the net deferred tax assets will be realized through future taxable income. Management has established a valuation allowance against the deferred taxes related to certain net operating loss carryovers. Management believes the utilization of these losses may be limited. We will continue to assess the need for a valuation allowance for our remaining deferred tax assets in the future.

The Company's consolidated financial statements recognized the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods, as if the Company were a separate taxpayer prior to the date of the Distribution rather than a member of the Former Parent's consolidated income tax return group. Current tax receivable reflects balances due from the Former Parent for the Company's share of the income tax assets of the group.

Following the Distribution, the Company files federal and state income tax filings that are separate from the SGI tax filings. The Company recognizes current and deferred income taxes as a separate taxpayer for periods ending after the date of Distribution.

Table of Contents

RECENT ACCOUNTING PRONOUNCEMENTS

For a description of accounting changes and recent accounting standards, including the expected dates of adoption and estimated effects, if any, on our consolidated financial statements, see Note 2 – Summary of Significant Accounting Policies in Part II, Item 8 of this Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS

Index to the Consolidated Financial Statements

Table of Contents

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The financial statements were prepared by management, which is responsible for their integrity and objectivity and for establishing and maintaining adequate internal controls over financial reporting.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurances with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal controls may vary over time.

Management assessed the design and effectiveness of the Company's internal control over financial reporting as of June 30, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (2013 framework). Based on this evaluation, management concluded that our internal control over financial reporting was effective as of June 30, 2015 based on criteria in Internal Control –Integrated Framework issued by the COSO.

Grant Thornton LLP, independent registered public accounting firm, has audited the financial statements of the Company as of June 30, 2015. Under Rule 12b-2 and Section 404 of the Sarbanes-Oxley Act, the Company is not required to provide an attestation report from a registered public accounting firm of its internal control over financial reporting for as of June 30, 2015.

A-Mark Precious Metals, Inc.

September 24, 2015

Table of Contents

The Board of Directors and Stockholders'
A-Mark Precious Metals, Inc.

We have audited the accompanying consolidated balance sheet of A-Mark Precious Metals, Inc. and subsidiaries (collectively, the “Company”), as of June 30, 2015, and the related consolidated statements of income, stockholders’ equity, and cash flows for the year ended June 30, 2015. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of A-Mark Precious Metals, Inc. and subsidiaries as of June 30, 2015 and the results of their operations and their cash flows for the year ended June 30, 2015 in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP

September 24, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
A-Mark Precious Metals, Inc.
Santa Monica, California

We have audited the accompanying consolidated balance sheet of A-Mark Precious Metals, Inc. as of June 30, 2014 and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of A-Mark Precious Metals, Inc. at June 30, 2014, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ BDO USA, LLP
Costa Mesa, California

September 26, 2014

Table of Contents

A-MARK PRECIOUS METALS, INC.
CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except share data)

June 30,	2015	2014
ASSETS		
Current assets:		
Cash	$20,927	$13,193
Receivables, net	90,055	102,824
Inventories:		
Inventories	152,076	150,944
Restricted inventories	39,425	24,610
	191,501	175,554
Income taxes receivable	7,846	—
Income taxes receivable from Former Parent	1,095	3,139
Prepaid expenses and other assets	1,202	613
Total current assets	312,626	295,323
Property and equipment, net	2,850	1,678
Goodwill	4,884	4,884
Intangibles, net	2,369	2,753
Long-term receivables	650	—
Long-term investments	2,500	500
Deferred tax assets - non-current	23	—
Total assets	$325,902	$305,138
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Lines of credit	$147,000	$135,200
Liability on borrowed metals	9,500	8,709
Product financing arrangement	39,425	24,610
Accounts payable	68,536	77,426
Accrued liabilities	5,330	6,070
Income taxes payable	—	2,178
Deferred tax liability - current	149	1,456
Total current liabilities	269,940	255,649
Deferred tax liabilities	—	33
Total liabilities	269,940	255,682
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of June 30, 2015 and June 30, 2014	—	—
Common Stock, par value $0.01; 40,000,000 authorized; 6,973,549 and 6,962,742 issued and outstanding as of June 30, 2015 and June 30, 2014, respectively	70	70
Additional paid-in capital	22,470	22,317
Accumulated other comprehensive income	—	—

Retaining earnings	33,422	27,069
Total stockholders' equity	55,962	49,456
Total liabilities and stockholders' equity	$325,902	$305,138

See accompanying Notes to Consolidated Financial Statements

Table of Contents

A-MARK PRECIOUS METALS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except for share and per share data)

Years Ended June 30,	2015	2014
Revenues	$6,070,234	$5,979,354
Cost of sales	6,045,736	5,951,913
Gross profit	24,498	27,441
Selling, general and administrative expenses	(17,131)	(15,570)
Interest income	6,073	5,592
Interest expense	(4,311)	(3,926)
Unrealized gains (losses) on foreign exchange	19	(6)
Net income before provision for income taxes	9,148	13,531
Provision for income taxes	(2,097)	(5,272)
Net income	$7,051	$8,259
Basic and diluted income per share:		
Basic - net income	$1.01	$1.10
Diluted - net income	$1.00	$1.09
Weighted average shares outstanding:		
Basic	6,962,800	7,530,300
Diluted	7,062,600	7,590,400

See accompanying Notes to Consolidated Financial Statements

Table of Contents

A-MARK PRECIOUS METALS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except for share data)

	Common Stock (Shares)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance, June 30, 2013	7,402,664	74	24,370	28,810	53,254
Net income	—	—	—	8,259	8,259
Share-based compensation	—	—	194	—	194
Release of restricted stock units	15,582	—	—	—	—
Repurchase and retirement of restricted stock units for payroll taxes	(4,549)	—	(53)	—	(53)
Cancellation of shares by Former Parent	(71,922)	—	—	—	—
Repurchase common stock	(379,033)	(4)	(2,194)	—	(2,198)
Dividends declared	—	—	—	(10,000)	(10,000)
Balance, June 30, 2014	6,962,742	$70	$22,317	$27,069	$49,456
Net income	—	—	—	7,051	7,051
Share-based compensation	—	—	253	—	253
Release of restricted stock units	20,377	—	—	—	—
Repurchase and retirement of restricted stock units for payroll taxes	(9,570)	—	(100)	—	(100)
Dividends declared	—	—	—	(698)	(698)
Balance, June 30, 2015	6,973,549	$70	$22,470	$33,422	$55,962

See accompanying Notes to Consolidated Financial Statements

A-MARK PRECIOUS METALS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

Years Ended June 30,	2015	2014
Cash flows from operating activities:		
Net Income	$7,051	$8,259
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	895	934
Deferred income taxes	(1,364)	6,930
Interest added to principal of secured loans	(212)	(476)
Share-based compensation	253	194
Loss on sale of property and equipment	41	—
Changes in assets and liabilities:		
Receivables	20,224	14,282
Secured loans to Former Parent	2,562	(2,562)
Income tax receivable	(7,846)	—
Inventories	(15,947)	(13,176)
Prepaid expenses and other current assets	(589)	(126)
Accounts payable	(8,890)	(8,584)
Liabilities on borrowed metals	791	(11,408)
Accrued liabilities	(740)	(531)
Receivable from/ payables to Former Parent	2,044	(12,659)
Income taxes payable	(2,178)	2,178
Net cash used in operating activities	(3,905)	(16,745)
Cash flows from investing activities:		
Capital expenditures for property and equipment	(1,784)	(1,011)
Proceeds from the sale of property and equipment	60	—
Purchase of cost method investment	(2,000)	(500)
Secured loans, net	(10,454)	(4,121)
Net cash used in investing activities	(14,178)	(5,632)
Cash flows from financing activities:		
Product financing arrangement, net	14,815	(13,944)
Dividends paid	(698)	(10,000)
Borrowings under lines of credit, net	11,800	40,200
Retirement of repurchased Afinsa and Auctentia common stock and interest in A-Mark Precious Metals, Inc.	—	(2,198)
Repurchase and retirement of restricted stock for payroll taxes	(100)	(53)
Net cash provided by financing activities	25,817	14,005
Net increase (decrease) in cash and cash equivalents	7,734	(8,372)
Cash and cash equivalents, beginning of period	13,193	21,565
Cash and cash equivalents, end of period	$20,927	$13,193
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest expense	$4,141	$3,908
Income taxes	$12,883	$7,667

Non-cash investing and financing activities:		
Interest added to principal of secured loans	$212	$476
Secured loans received in satisfaction of customer receivable	$—	$12,800

See accompanying Notes to Consolidated Financial Statements

Table of Contents

A-MARK PRECIOUS METALS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

A-Mark Precious Metals, Inc. and its subsidiaries (“A-Mark” or the “Company”) is a full-service precious metals trading company. Its products include gold, silver, platinum and palladium for storage and delivery primarily in the form of coins, bars, wafers and grain. The Company's trading-related services include financing, consignment, logistics, hedging and various customized financial programs.

Through its wholly owned subsidiary, Collateral Finance Corporation (“CFC”), a licensed California Finance Lender, the Company offers loans on precious metals, rare coins and other collectibles collateral to coin dealers, collectors and investors. Through its wholly owned subsidiary, A-Mark Trading AG (“AMTAG”), the Company promotes A-Mark bullion products throughout the European continent. Transcontinental Depository Services (“TDS”), also a wholly owned subsidiary of the Company, offers worldwide storage solutions to institutions, dealers and consumers.

The Company recently formed a wholly-owned subsidiary, A-M Global Logistics, LLC ("Logistics"), which operates the Company's logistics fulfillment center based in Las Vegas, Nevada. Logistics provides our customers an array of complementary services, including storage, shipping, handling, receiving, processing, and inventorying of precious metals and custom coins on a secure basis.

Spinoff from Spectrum Group International, Inc.

The Company filed a registration statement on Form S-1 in connection with the distribution (the “Distribution”) by Spectrum Group International, Inc. (“SGI” or the "Former Parent") to its stockholders of all the outstanding shares of common stock of the Company, par value $0.01 per share. The registration statement was declared effective by the Securities and Exchange Commission (“SEC”) on February 11, 2014. On March 11, 2014, the Company filed a Form 8-A with the SEC to register its shares of common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended. The Distribution, which effected a spinoff of the Company from SGI, was made on March 14, 2014 to SGI stockholders of record on February 12, 2014. On the Distribution date, stockholders of SGI received one share of A-Mark common stock for each four shares of SGI common stock held.

As a result of the Distribution, the Company became a publicly traded company independent from SGI. On March 17, 2014, A-Mark’s shares of common stock commenced trading on the NASDAQ Global Select Market under the symbol "AMRK." An aggregate of 7,402,664 shares of A-Mark common stock were distributed in the Distribution. All share and per share information has been retrospectively adjusted to give effect to the Distribution, determined based on the Former Parent's common shares outstanding for the periods presented prior to the Distribution multiplied by distribution ratio of one share of the Company's common stock for every four shares of the Former Parent's common stock, and determined based on A-Mark's common shares outstanding after the Distribution.

Subsequent to the Distribution, SGI informed the Company that an aggregate of 71,922 shares of A-Mark's common stock should not have been distributed because the SGI shares with respect to which those shares were distributed had been incorrectly classified as outstanding. Accordingly, effective as of March 14, 2014, those 71,922 shares were canceled and returned to the status of authorized but unissued stock.

In connection with the spinoff, the Company entered into various agreements with SGI, each effective as of March 14, 2014. These agreements are described below.

Distribution Agreement

The Distribution Agreement (the "Distribution Agreement") set forth the principal actions to be taken in connection with the Distribution and also governs our ongoing relationship with SGI following the Distribution.

- A-Mark-SGI Arrangements. All agreements, arrangements, commitments and understandings, including most intercompany accounts payable or accounts receivable, between us and our subsidiaries and other affiliates, on the one hand, and SGI and its other subsidiaries and other affiliates, on the other hand, terminated effective as of the Distribution, except certain agreements and arrangements that we and SGI expressly provided will survive the Distribution.
- The Distribution; Conditions. The Distribution Agreement governed the rights and obligations of the parties regarding the proposed Distribution and set forth the conditions that must be satisfied or waived by SGI in its sole discretion.

- Exchange of Information. The Company and SGI have agreed to provide each other with access to information in the other party's possession or control owned by such party and created prior to the Distribution date, or as may be reasonably necessary to comply with reporting, disclosure, filing or other requirements of any national securities exchange or governmental authority, for use in judicial, regulatory, administrative and other proceedings and to satisfy audit, accounting, litigation and other similar requests. The Company and SGI have also agreed to retain such information in

Table of Contents

accordance with our respective record retention policies as in effect on the date of the Distribution Agreement, but in no event for fewer than seven years from the Distribution date. Until the end of the first full fiscal year following the Distribution, each party has also agreed to use its reasonable best efforts to assist the other with respect to its financial reporting and audit obligations.

- Release of Claims. The Company and SGI agreed to broad releases pursuant to which we released the other and its affiliates, successors and assigns and their respective shareholders, directors, officers, agents and employees from any claims against any of them that arise out of or relate to events, circumstances or actions occurring or failing to occur or any conditions existing at or prior to the time of the Distribution. These releases are subject to certain exceptions set forth in the Distribution Agreement.
- Indemnification. The Company and SGI agreed to indemnify each other and each other's current and former directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing against certain liabilities in connection with the Distribution and each other's respective businesses.

Tax Separation Agreement

The tax separation agreement (the "Tax Separation Agreement") with SGI governs the respective rights, responsibilities and obligations of SGI and us with respect to, among other things, liabilities for U.S. federal, state, local and other taxes. In addition to the allocation of tax liabilities, the Tax Separation Agreement addresses the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Under the terms of the Tax Separation Agreement, SGI has the responsibility to prepare and file tax returns for tax periods ending prior to the Distribution date and for tax periods which include the Distribution date but end after the Distribution date, which will include A-Mark and its subsidiaries.

These tax returns will be prepared on a basis consistent with past practices. A-Mark has agreed to cooperate in the preparation of these tax returns and have an opportunity to review and comment on these returns prior to filing. A-Mark will pay all taxes attributable to A-Mark and its subsidiaries, and will be entitled to any refund with respect to taxes it has paid.

Secondment Agreement

Under the terms of the secondment agreement (the "Secondment Agreement"), A-Mark has agreed to make Gregory N. Roberts, our Chief Executive Officer, and Carol Meltzer, our Executive Vice President, General Counsel and Secretary, available to SGI for the performance of specified management and professional services following the spinoff in exchange for an annual secondment fee of $150,000 (payable monthly) and reimbursement of certain bonus payments.

Neither Mr. Roberts nor Ms. Meltzer will devote more than 20% of their professional working time on a monthly basis to SGI and in no event will the performance of services for SGI interfere with the performance of the duties and responsibilities of Mr. Roberts and Ms. Meltzer to A-Mark. In addition, to the services to be provided under the Secondment Agreement, both Mr. Roberts and Ms. Meltzer are expected to serve as officers and directors of SGI following the spinoff. The Secondment Agreement will terminate on June 30, 2016 and is subject to earlier termination under certain circumstances. Under the Secondment Agreement, SGI will be obligated to reimburse A-Mark for the portion of the performance bonus payable under Mr. Roberts' employment agreement with A-Mark (to be effective at the time of the spinoff) attributable to pre-tax profits of SGI.

Equity Awards

Holders of share-based awards denominated in and settleable by delivery of shares of Former Parent's common stock received share-based awards denominated in and settleable by delivery of shares of the Company's common stock based on the exchange ratio of one to 4.17, for which the ratio was based on the three-day-average closing stock price of SGI prior to the Distribution compared to the three-day-average closing stock price of A-Mark after the Distribution. This formula, which was selected because it measured the aggregate intrinsic value of each Former Parent equity award immediately before the spinoff (by reference to Former Parent's share prices), and provided for the grant of a replacement A-Mark equity award with substantially the same aggregate intrinsic value immediately after the spinoff (by reference to A-Mark share prices), was different from the ratio of one share of the Company's common stock for every four shares of the Former Parent's common stock used in the spinoff.

As a result, the Company issued 130,646 restricted stock units, 8,990 stock appreciation rights ("SARs") and options to purchase 249,846 shares of common stock. The shares subject to A-Mark equity awards issued as a result of the adjustments described above were not drawn from A-Mark’s 2014 Stock Award and Incentive Plan; instead, such shares were issued and/or delivered based on A-Mark's assumption of the rights and obligations under the SGI equity compensation plans pursuant to which the pre-distribution SGI awards were granted and related SGI award agreements.

Table of Contents

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements reflect the financial condition, results of operations, and cash flows of the Company, and were prepared using accounting principles generally accepted in the United States ("U.S. GAAP"). The Company operated in one segment for all periods presented.

These consolidated financial statements include the accounts of A-Mark, and its wholly owned subsidiaries, CFC, AMTAG, Logistics and TDS (collectively the "Company"). All significant inter-company accounts and transactions have been eliminated in consolidation. The consolidated statements of income include all revenues and costs attributable to the Company's operations, including costs for certain functions and services performed by SGI and directly charged or allocated based on usage or other systematic methods. The allocations and estimates are not necessarily indicative of the costs and expenses that would have resulted if the Company's operations had been operated as a separate stand-alone entity. Allocations for inter-company shared service expense are made on a reasonable basis to approximate market costs for such services; these allocations are only applicable for periods prior to the spinoff. Management believes the allocation methods are reasonable.

Reclassifications

Certain previously reported amounts have been reclassified to conform to the current fiscal year's consolidated financial statement presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. These estimates include, among others, determination of fair value, and allowances for doubtful accounts, impairment assessments of long-lived assets and intangible assets, valuation reserve determination on deferred tax assets, and revenue recognition judgments. Significant estimates also include the Company's fair value determination with respect to its financial instruments and precious metals materials. Actual results could materially differ from these estimates.

Concentration of Credit Risk

Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits. The Company has never experienced any losses related to these balances.

Assets that potentially subject the Company to concentrations of credit risk consist principally of receivables, loans of inventory to customers, and inventory hedging transactions. Concentration of credit risk with respect to receivables is limited due to the large number of customers composing the Company's customer base, the geographic dispersion of the customers, and the collateralization of substantially all receivable balances. Based on an assessment of credit risk, the Company typically grants collateralized credit to its customers. The Company enters into inventory hedging transactions, principally utilizing metals commodity futures contracts traded on national futures exchanges or forward contracts with credit worthy financial institutions. Credit risk with respect to loans of inventory to customers is minimal; substantially all inventories loaned under consignment arrangements are collateralized for the benefit of the Company. All of our commodity derivative contracts are under master netting arrangements and include both asset and liability positions. Substantially all of these transactions are secured by the underlying metals positions.

Foreign Currency

The functional currency of the Company is the United States dollar ("USD"). Also, the functional currency of the Company's wholly-owned foreign subsidiary, AMTAG, is USD, but it maintains its books of record in Euros. The Company remeasures the financial statements of AMTAG into USD. The remeasurement of local currency amounts into USD creates remeasurement gains and losses, which are included in the consolidated statements of income.

To manage the effect of foreign currency exchange fluctuations, the Company utilizes foreign currency forward contracts. These derivatives generate gains and losses when they are settled and/or when they are marked to market. The change in the value in the derivative instruments is shown on the face of the consolidated statements of income as unrealized net gains (losses) on foreign exchange.

40

Cash Equivalents
The Company considers all highly liquid investments with original maturities of three months or less, when purchased, to be cash equivalents.
Inventories
Inventories principally include bullion and bullion coins and are acquired and initially recorded at fair market value. The fair market value of the bullion and bullion coins is comprised of two components: (1) published market values attributable to the costs of the raw precious metal, and (2) a published premium paid at acquisition of the metal. The premium is attributable to the additional value of the product in its finished goods form and the market value attributable solely to the premium may be readily determined, as it is published by multiple reputable sources.
The Company's inventories, except for certain lower of cost or market basis products (as discussed below), are subsequently recorded at their fair market values, that is, "marked-to-market". The daily changes in the fair market value of our inventory are offset by daily changes in the fair market value of hedging derivatives that are taken with respect to our inventory positions; both the change in the fair market value of the inventory and the change in the fair market value of these derivative instruments are recorded in cost of sales in the consolidated statements of income.
While the premium component included in inventories is marked-to-market, our commemorative coin inventory, including its premium component, is held at the lower of cost or market, because the value of commemorative coins is influenced more by supply and demand determinants than on the underlying spot price of the precious metal content of the commemorative coins. Unlike our bullion coins, the value of commemorative coins is not subject to the same level of volatility as bullion coins because our commemorative coins typically carry a substantially higher premium over the spot metal price than bullion coins. Neither the commemorative coin inventory nor the premium component of our inventory is hedged (see Note 5.)
Property and Equipment and Depreciation
Property and equipment is stated at cost less accumulated depreciation. Depreciation is calculated using a straight line method based on the estimated useful lives of the related assets, ranging from three years to five years.
Goodwill and Purchased Intangible Assets
Goodwill is recorded when the purchase price paid for an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired.
Goodwill and other indefinite life intangibles are evaluated for impairment annually in the fourth quarter of the fiscal year (or more frequently if indicators of potential impairment exist) in accordance with the Intangibles - Goodwill and Other Topic 350 of the Accounting Standards Codification ("ASC".) Other purchased intangible assets continue to be amortized over their useful lives and are evaluated for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be recoverable. The Company may first qualitatively assess whether relevant events and circumstances make it more likely than not that the fair value of the reporting unit's goodwill is less than its carrying value. If, based on this qualitative assessment, management determines that goodwill is more likely than not to be impaired, the two-step impairment test is performed. This first step in this test includes comparing the fair value of each reporting unit to its carrying value, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step in the test is performed, which is measurement of the impairment loss. The impairment loss is calculated by comparing the implied fair value of goodwill, as if the reporting unit has been acquired in a business combination, to its carrying amount. As of June 30, 2015 and June 30, 2014, the Company had no impairments.
If the Company determines it will quantitatively assess impairment, the Company utilizes the discounted cash flow method to determine the fair value of each of its reporting units. In calculating the implied fair value of the reporting unit's goodwill, the present value of the reporting unit's expected future cash flows is allocated to all of the other assets and liabilities of that unit based on their fair values. The excess of the present value of the reporting unit's expected future cash flows over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. In calculating the implied value of the Company's trade names, the Company uses the present value of the relief from royalty method.
Amortizable intangible assets are being amortized on a straight-line basis which approximates economic use, over periods ranging from four years to fifteen years. The Company considers the useful life of the trademarks to be

indefinite. The Company tests the value of the trademarks and trade name annually for impairment.

Table of Contents

Long-Lived Assets
Long-lived assets, other than goodwill and purchased intangible assets with indefinite lives are evaluated for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be recoverable. In evaluating impairment, the carrying value of the asset is compared to the undiscounted estimated future cash flows expected to result from the use of the asset and its eventual disposition. An impairment loss is recognized when estimated future cash flows are less than the carrying amount. Estimates of future cash flows may be internally developed or based on independent appraisals and significant judgment is applied to make the estimates. Changes in the Company's strategy, assumptions and/or market conditions could significantly impact these judgments and require adjustments to recorded amounts of long-lived assets. As of June 30, 2015 and June 30, 2014, management concluded that an impairment write-down was not required.
Investments
Investments into ownership interest in noncontrolled entities that do not have readily determinable fair values (i.e., non-marketable equity securities) under Cost Method Investments Topic 325-20 of the ASC are initially recorded at cost. Income is recorded for dividends received that are distributed from net accumulated earnings of the noncontrolled entity subsequent to the date of investment. Dividends received in excess of earnings subsequent to the date of investment are considered a return of investment and are recorded as reductions in the cost of the investment. Investments are written down only when there is clear evidence that a decline in value that is other than temporary has occurred. The Company assesses all cost-method investments for impairment quarterly. Below is a summary of the Company's cost-method investments.
On February 18, 2014, the Company purchased 2.5% of issued and outstanding Class A common stock of a nonpublic company, who is a customer of A-Mark, for $0.5 million. On September 19, 2014, the Company entered into an agreement with a separate nonpublic company, also a customer of A-Mark, to purchase up to 9% of its issued and outstanding common stock, on a fully diluted basis, in two tranches, for an aggregate purchase price of $2.0 million. The closing of the first tranche of the second transaction, for 5% of the retailer's issued and outstanding common stock at a purchase price equal to $1.1 million, took place on September 19, 2014. The closing of the second tranche of the second transaction, for 4% of this company's issued and outstanding common stock took place on April 1, 2015, at a purchase price equal to $0.9 million.
In connection with both transactions, the Company entered into exclusive supplier agreements, pursuant to which the customers will purchase all bullion products required for their respective businesses exclusively from A-Mark for a period of 5.0 years and 3.0 years, respectively (subject to renewal and earlier termination under certain circumstances). In the case of the second transaction, A-Mark will continue to provide fulfillment services to this customer under the terms of a previously existing fulfillment agreement. The Company initially had the right to appoint, and did appoint, a board member to each customer's boards of directors. During the fourth quarter of fiscal 2015, the operative agreements were amended to provide that the Company has the right instead to designate a board observer, who is entitled to attend, in a nonvoting observer capacity, all meetings of each company's board of directors and all committees thereof. Also during the fourth quarter of fiscal 2015, the Company's former board designee resigned as a member of both boards of directors.
As of June 30, 2015, the aggregate carrying amount of the Company's cost-method investments was $2.5 million. There were no identifiable events or changes in circumstances that may have had a significant adverse effect on the fair value. As a result, no impairment loss was recorded, nor were any dividends received during the years ended June 30, 2015 and 2014.
As of June 30, 2015, the aggregate balance of payables due to and the aggregate balance of receivables due from these entities totaled $21.7 million and $22.1 million, respectively. Included in the receivable balance at June 30, 2015 was a $0.9 million secured loan, of which $0.7 million is presented on the consolidated balance sheet as long-term receivables. As of June 30, 2014, the aggregate balance of payables due to and the aggregate balance of receivables due from these entities totaled $3.5 million and $2.6 million, respectively. There was no secured loan balance with these entities at June 30, 2014.
For the year ended June 30, 2015 the Company had aggregate sales of $485.5 million and aggregate purchases of $0.9 million, respectively, with these entities. For the year ended June 30, 2014 the Company had aggregate sales of $220.7

million and aggregate purchases of $2.0 million, respectively, with these entities.

Fair Value Measurement

The Fair Value Measurements and Disclosures Topic 820 of the ASC ("ASC 820"), creates a single definition of fair value for financial reporting. The rules associated with ASC 820 state that valuation techniques consistent with the market approach, income approach and/or cost approach should be used to estimate fair value. Selection of a valuation technique, or multiple valuation techniques, depends on the nature of the asset or liability being valued, as well as the availability of data (see Note 3.)

Revenue Recognition

Revenues are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, no obligations remain and collection is probable. The Company records sales of precious metals, which occurs upon receipt by the customer. The Company records revenues from its metal assaying and melting services after the related services are completed and the effects of forward sales contracts are reflected in revenue at the date the related precious metals are delivered or the contracts expire. The Company records revenues from its storage and logistics services after the related services are completed.

The Company accounts for its metals and sales contracts using settlement date accounting. Pursuant to such accounting, the Company recognizes the sale or purchase of the metals at settlement date. During the period between trade and settlement date, the Company has essentially entered into a forward contract that meets the definition of a derivative in accordance with the Derivatives and Hedging Topic 815 of the ASC. The Company records the derivative at the trade date with a corresponding unrealized gain (loss), which is reflected in the cost of sales in the consolidated statements of income. The Company adjusts the derivatives to fair value on a daily basis until the transaction is physically settled. Sales which are physically settled are recognized at the gross amount in the consolidated statements of income.

Interest Income

The Company uses the effective interest method to recognize interest income on its secured loans and secured financing transactions. For these arrangements, the Company maintains a security interest in the precious metals and records interest income over the terms of the receivable. Recognition of interest income is suspended and the loan is placed on non-accrual status when management determines that collection of future interest income is not probable. The interest income accrual is resumed, and previously suspended interest income is recognized, when the loan becomes contractually current and/or collection doubts are removed. Cash receipts on impaired loans are recorded first against the receivable and then to any unrecognized interest income (see Note 4.)

Interest Expense

The Company incurs interest expense and related fees as a result of usage under its lines of credit, product financing arrangements and liability on borrowed metals.

The Company incurs interest expense based on usage under its Trading Credit Facility recording interest expense using the effective interest method.

The Company incurs financing fees (classified as interest expense) as a result of its product financing arrangements for the transfer and subsequent re-acquisition of gold and silver at a fixed price to a third party finance company. During the term of this type of financing agreement, a third party finance company holds the Company's inventory as collateral, with the intent to return the inventory to the Company at an agreed-upon price based on the spot price on the finance arrangement termination date, pursuant to the guidance in Product Financing Arrangements Topic 470-40 of the ASC. The third party charges a monthly fee as percentage of the market value of the outstanding obligation. In addition, the Company incurs a financing fee related to custodial storage facility charges related to the transferred collateral inventory; this collateral is classified as restricted inventory on our consolidated balance sheets.

Additionally, the Company incurs interest expense when we borrow precious metals from our suppliers under short-term arrangements, which bear interest at a designated rate. Amounts under these arrangements are due at maturity and require repayment either in the form of precious metals or cash. This liability is reflected in the consolidated balance sheet as liability on borrowed metals.

Derivative Instruments

The Company’s inventory consists of precious metals products, and for which the Company regularly enters into commitment transactions to purchase and sell its precious metal products. The value of our inventory and these commitments is intimately linked to the prevailing price of the underlying precious metal commodity. The Company seeks to minimize the effect of price changes of the underlying commodity and enters into inventory hedging transactions, principally utilizing metals commodity futures contracts traded on national futures exchanges or forward contracts with only major credit worthy financial institutions. All of our commodity derivative contracts are under master netting arrangements and include both asset and liability positions. Substantially all of these transactions are secured by the underlying metals positions. Notional balances of the Company's derivative instruments, consisting of contractual metal quantities, are expressed at current spot prices of the underlying precious metal commodity (see in Note 12).

Commodity futures and forward contract transactions are recorded at fair value on the trade date. The difference between the original contract value and the market value of the open futures and forward contracts are reflected in

receivables or payables in the consolidated balance sheet at fair value (see Note 4 and Note 8.)
The Company records the change between market value and trade value of the underlying open commodity contracts as a derivative asset or liability, and the Company correspondingly records the related unrealized gains or losses. The change in unrealized gain (loss) on open commodity contracts from one period to the next is reflected in net gain (loss) on derivative instruments. These unrealized gains and losses are included as a component of cost of sales on the consolidated statements of income. Gains or losses resulting from the termination of commodity contracts are reported as realized gains or losses on commodity contracts, which is recorded as a component of cost of sales on the consolidated statement of income.

Table of Contents

The Company enters into derivative transactions solely for the purpose of hedging our inventory holding risk, and not for speculative market purposes. The Company's gains (losses) on derivative instruments are substantially offset by the changes in the fair market value of the underlying precious metals inventory, which is also recorded in cost of sales in the consolidated statements of income (see Note 12.)

Advertising

Advertising costs are expensed as incurred, and are included in selling, general and administrative expenses in the consolidated statements of income. Advertising expense was $0.6 million and $0.8 million, respectively, for the years ended June 30, 2015 and 2014.

Shipping and Handling Costs

Shipping and handling costs represent costs associated with shipping product to customers, and receiving product from vendors and are included in cost of sales in the consolidated statements of income. Shipping and handling costs incurred totaled $7.0 million and $5.7 million, respectively, for the years ended June 30, 2015 and 2014.

Share-Based Compensation

The Company accounts for equity awards under the provisions of the Compensation - Stock Compensation Topic 718 of the ASC ("ASC 718"), which establishes fair value-based accounting requirements for share-based compensation to employees. ASC 718 requires the Company to recognize the grant-date fair value of stock options and other equity-based compensation issued to employees as expense over the service period in the Company's consolidated financial statements.

Certain key employees of the Company participated in Stock Incentive Plans of the Former Parent ("Former Plans"). The Former Plans permitted the grant of stock options and other equity awards to employees, officers and non-employee directors. Prior to the Distribution, the equity awards had been settled in shares of SGI stock and A-Mark did not reimburse SGI for the expense; therefore it was treated as a capital contribution to A-Mark. Following the Distribution, the Company settles share-based awards by the delivery of shares of the Company's common stock. The equity awards assumed by A-Mark in connection of the spinoff contained substantially identical terms, conditions and vesting schedules as the previously outstanding awards. In accordance with the guidance in ASC 718, the assumption shares qualify as a modification of an equity compensation award. As such, the Company calculated the incremental fair value of the awards immediately prior to and after their modification and determined that there was no positive incremental equity compensation cost that was required to be expensed or amortized. Pertaining to the modified awards of A-Mark's employee and non-employees as of the Distribution date, the Company amortizes the unvested awards based on the fair value and vesting schedule based on the original grant date, as determined by SGI. Pertaining to the modified awards of SGI's employee and non-employees for which A-Mark assumed, the Company does not record compensation expense.

Prior to the Distribution, the Company's Board of Directors ("Board") adopted and the Company's shareholders approved the 2014 Stock Award and Incentive Plan ("2014 Plan"). Under the 2014 Plan, the Company may grant options and other equity awards as a means of attracting and retaining officers, employees, non-employee directors and consultants, to provide incentives to such persons, and to align the interests of such persons with the interests of stockholders by providing compensation based on the value of the Company's stock (see Note 14.)

Income Taxes

As part of the process of preparing its consolidated financial statements, the Company is required to estimate its provision for income taxes in each of the tax jurisdictions in which it conducts business, in accordance with the Income Taxes Topic 740 of the ASC ("ASC 740"). The Company computes its annual tax rate based on the statutory tax rates and tax planning opportunities available to it in the various jurisdictions in which it earns income. Significant judgment is required in determining the Company's annual tax rate and in evaluating uncertainty in its tax positions. The Company recognizes a benefit for tax positions that it believes will more likely than not be sustained upon examination. The amount of benefit recognized is the largest amount of benefit that the Company believes has more than a 50% probability of being realized upon settlement. The Company regularly monitors its tax positions and adjusts the amount of recognized tax benefit based on its evaluation of information that has become available since the end of its last financial reporting period. The annual tax rate includes the impact of these changes in recognized tax benefits. When adjusting the amount of recognized tax benefits, the Company does not consider information that has

become available after the balance sheet date, but does disclose the effects of new information whenever those effects would be material to the Company's consolidated financial statements. The difference between the amount of benefit taken or expected to be taken in a tax return and the amount of benefit recognized for financial reporting represents unrecognized tax benefits. These unrecognized tax benefits are presented in the consolidated balance sheet principally within accrued liabilities.
The Company records valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. Significant judgment is applied when assessing the need for valuation allowances. Areas of estimation include the Company's consideration of future taxable income and ongoing prudent and feasible tax planning strategies. Should a change in circumstances lead to a change in judgment about the utilization of deferred tax assets in future years, the Company would adjust

related valuation allowances in the period that the change in circumstances occurs, along with a corresponding increase or charge to income. Changes in recognized tax benefits and changes in valuation allowances could be material to the Company's results of operations for any period, but is not expected to be material to the Company's consolidated financial position.

The Company accounts for uncertainty in income taxes under the provisions of ASC 740. These provisions clarify the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, and prescribe a recognition threshold and measurement criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The provisions also provide guidance on de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The potential interest and/or penalties associated with an uncertain tax position are recorded in provision for income taxes on the consolidated statements of income. Please refer to Note 9 for further discussion regarding these provisions.

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the net deferred tax assets will not be realized. The factors used to assess the likelihood of realization include the Company's forecast of the reversal of temporary differences, future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income in applicable tax jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in the Company's effective tax rate on future earnings.

Based on our assessment it appears more likely than not that most of the net deferred tax assets will be realized through future taxable income. Management has established a valuation allowance against the deferred taxes related to certain state net operating loss carryovers. Management believes the utilization of these losses may be limited. We will continue to assess the need for a valuation allowance for our remaining deferred tax assets in the future.

The Company's consolidated financial statements recognized the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods, as if the Company were a separate taxpayer prior to the date of the Distribution rather than a member of the Former Parent's consolidated income tax return group. Following the Distribution, the Company files federal and state income tax filings that are separate from the Former Parent's tax filings. The Company recognizes current and deferred income taxes as a separate taxpayer for periods ending after the date of Distribution.

Income taxes receivable from Former Parent reflects balances due from the Former Parent for the Company's share of the income tax assets of the group, net of amounts related to federal and state jurisdictions due to taxable income generated as if the Company were a separate taxpaying entity prior to the Distribution.

Earnings per Share ("EPS")

The Company computes and reports both basic EPS and diluted EPS. Basic EPS is computed by dividing net earnings by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net earnings by the sum of the weighted average number of common shares and dilutive common stock equivalents outstanding during the period. Diluted EPS reflects the total potential dilution that could occur from outstanding equity awards, including unexercised stock options, utilizing the treasury stock method.

To determine the weighted average number of common shares outstanding for the periods presented prior to the Distribution, the Former Parent's weighted average number of common shares outstanding was multiplied by distribution ratio of one share of the Company's common stock for every four shares of the Former Parent's common stock. Thereafter, the weighted average number of common shares outstanding was based on the Company's basic and fully diluted share figures.

A reconciliation of shares used in calculating basic and diluted earnings per common shares follows. There is no dilutive effect of SARs, as such obligations are not settled and were out of the money for the years ended June 30, 2015 and 2014.

in thousands

Years Ended June 30,	2015	2014[2]
Basic weighted average shares outstanding [1]	6,963	7,530
Effect of common stock equivalents — stock issuable under outstanding equity awards	100	60
Diluted weighted average shares outstanding	7,063	7,590

(1) Basic weighted average shares outstanding include the effect of vested but unissued restricted stock grants.

(2) Basic and diluted income per share was based on historical SGI basic and fully diluted share figures through March 14, 2014, the distribution date. Amounts shown were retroactively adjusted to give effect for the share distribution in connection with the spinoff, on the basis of one share of A-Mark stock issued for every four shares of SGI stock held through the distribution date. Thereafter, basic and diluted income per share was based on the Company's basic and fully diluted share figures.

Recent Accounting Pronouncements

In February 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-2, Consolidation (Topic 820): Amendments to the Consolidation Analysis. ASU 2015-2 provides a revised consolidation model for all reporting entities to use in evaluating whether they should consolidate certain legal entities. All legal entities will be subject to reevaluation under this revised consolidation model. The revised consolidation model, among other things, (i) modifies the evaluation of whether limited partnerships and similar legal entities are VIEs or voting interest entities, (ii) eliminates the presumption that a general partner should consolidate a limited partnership, and (iii) modifies the consolidation analysis of reporting entities that are involved with VIEs through fee arrangements and related party relationships. ASU 2015-2 is effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2015, which will be our fiscal year 2017 (or July 1, 2016). We are still evaluating what impact, if any, this ASU will have on the Company’s consolidated financial position, results of operations or cash flows.

In November 2014, the FASB issued ASU No. 2014-16, Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share is More Akin to Debt or to Equity. ASU No. 2014-16 clarifies how current guidance should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. In addition, ASU No. 2014-16 clarifies that in evaluating the nature of a host contract, an entity should assess the substance of the relevant terms and features (that is, the relative strength of the debt-like or equity-like terms and features given the facts and circumstances) when considering how to weight those terms and features. The effects of initially adopting ASU No. 2014-16 should be applied on a modified retrospective basis to existing hybrid financial instruments issued in a form of a share as of the beginning of the fiscal year for which the amendments are effective. Retrospective application is permitted to all relevant prior periods. ASU No. 2014-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, which will be our fiscal year 2017 (or July 1, 2016). Early adoption is permitted. We are currently in the process of evaluating the impact of adoption of ASU No. 2014-16 on our consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU No. 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU No. 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The new standard is effective for the Company beginning July 1, 2018, including interim periods within that reporting period. The FASB also decided that companies could choose to adopt the new standard one year earlier which would have been the original effective date. The new standard is required to be applied retrospectively. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

Table of Contents

3. ASSETS AND LIABILITIES, AT FAIR VALUE

Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments as of June 30, 2015 and June 30, 2014.

in thousands

June 30,	2015 Carrying Amount	Fair value	2014 Carrying Amount	Fair value
Financial assets:				
Cash	$20,927	$20,927	$13,193	$13,193
Receivables, advances receivables and secured loans	79,341	79,341	80,640	80,640
Derivative assets - open sale and purchase commitments, net, included in receivable	1,722	1,722	22,170	22,170
Derivative assets - futures contracts included in receivables	5,363	5,363	—	—
Derivative assets - forward contracts included in receivables	4,279	4,279	14	14
Income taxes receivable from Former Parent	1,095	1,095	3,139	3,139
Financial liabilities:				
Lines of credit	$147,000	$147,000	$135,200	$135,200
Liability for borrowed metals	9,500	9,500	8,709	8,709
Product financing obligation	39,425	39,425	24,610	24,610
Derivative liabilities - open sale and purchase commitments, net, included in payables	10,989	10,989	848	848
Derivative liabilities - futures contracts included in payables	—	—	8,078	8,078
Derivative liabilities - forward contracts included in payables	—	—	14,873	14,873
Accounts payable, margin accounts, advances and other payables	57,547	57,547	53,627	53,627
Accrued liabilities	5,330	5,330	6,070	6,070

The fair values of the financial instruments shown in the above table as of June 30, 2015 and June 30, 2014 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Company based on the best information available in the circumstances, including expected cash flows and appropriately risk adjusted discount rates, available observable and unobservable inputs.

The carrying amounts of cash and cash equivalents, receivables and secured loans, accounts receivable and consignor advances, and accounts payable approximated fair value due to their short-term nature. The carrying amounts of lines of credit approximate fair value based on the borrowing rates currently available to the Company for bank loans with similar terms and average maturities.

Valuation Hierarchy

Topic 820 of the ASC established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The significant assumptions used determine the carrying fair value and related fair value of the financial instruments are

47

Table of Contents

described below:

Inventory. Inventories principally include bullion and bullion coins and are acquired and initially recorded at fair market value. The fair market value of the bullion and bullion coins is comprised of two components: 1) published market values attributable to the costs of the raw precious metal, and 2) a published premium paid at acquisition of the metal. The premium is attributable to the additional value of the product in its finished goods form and the market value attributable solely to the premium may be readily determined, as it is published by multiple reputable sources. Except for commemorative coin inventory, which are included in inventory at the lower of cost or market, the Company's inventories are subsequently recorded at their fair market values on a daily basis. The fair value for commodities inventory (i.e., inventory excluding commemorative coins) is determined using pricing and data derived from the markets on which the underlying commodities are traded. Precious metals commodities inventory are classified in Level 1 of the valuation hierarchy.

Derivatives. Futures contracts, forward contracts and open sale and purchase commitments are valued at their fair values, based on the difference between the quoted market price and the contractual price (i.e., intrinsic value,) and are included within Level 1 of the valuation hierarchy.

Margin and Borrowed Metals Liabilities. Margin and borrowed metals liabilities consist of the Company's commodity obligations to margin customers and suppliers, respectively. Margin liabilities and borrowed metals liabilities are carried at fair value, which is determined using quoted market pricing and data derived from the markets on which the underlying commodities are traded. Margin and borrowed metals liabilities are classified in Level 1 of the valuation hierarchy.

Product Financing Obligations. Product financing obligations consist of financing agreements for the transfer and subsequent re-acquisition of the sale of gold and silver at a fixed price to a third party. Such transactions allow the Company to repurchase this inventory at an agreed-upon price based on the spot price on the repurchase date. The third party charges monthly interest as a percentage of the market value of the outstanding obligation, which is carried at fair value. The obligation is stated at the amount required to repurchase the outstanding inventory. Fair value is determined using quoted market pricing and data derived from the markets on which the underlying commodities are traded. Product financing obligations are classified in Level 1 of the valuation hierarchy.

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis as of June 30, 2015 and June 30, 2014 aggregated by the level in the fair value hierarchy within which the measurements fall:

	June 30, 2015			
in thousands	Quoted Price in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Assets:				
Inventory [1]	$189,983	$—	$—	$189,983
Derivative assets — open sale and purchase commitments, net	1,722	—	—	1,722
Derivative assets — futures contracts	5,363	—	—	5,363
Derivative assets — forward contracts	4,279	—	—	4,279
Total assets valued at fair value	$201,347	$—	$—	$201,347
Liabilities:				
Liability on borrowed metals	$9,500	$—	$—	$9,500
Product financing arrangement	39,425	—	—	39,425
Liability on margin accounts	6,908	—	—	6,908
Derivative liabilities — open sales and purchase commitments, net	10,989	—	—	10,989
Total liabilities, valued at fair value	$66,822	$—	$—	$66,822

[1] Commemorative coin inventory totaling $1.5 million is held at lower of cost or market and is thus excluded from this table.

Table of Contents

in thousands	June 30, 2014 Quoted Price in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Assets:				
Inventory [1]	$172,990	$—	$—	$172,990
Derivative assets — open sale and purchase commitments, net	22,170	—	—	22,170
Derivative assets — forward contracts	14	—	—	14
Total assets, valued at fair value	$195,174	$—	$—	$195,174
Liabilities:				
Liability on borrowed metals	$8,709	$—	$—	$8,709
Product financing arrangement	24,610	—	—	24,610
Liability on margin accounts	8,983	—	—	8,983
Derivative liabilities — open sale and purchase commitments, net	848	—	—	848
Derivative liabilities — futures contracts	8,078	—	—	8,078
Derivative liabilities — forward contracts	14,873	—	—	14,873
Total liabilities valued at fair value	$66,101	$—	$—	$66,101

[1] Commemorative coin inventory totaling $2.6 million is held at lower of cost or market and is thus excluded from this table.

There were no transfers in or out of Level 2 or 3 during the years ended June 30, 2015 and 2014.

Assets Measured at Fair Value on a Non-Recurring Basis

Certain assets are measured at fair value on a nonrecurring basis. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only under certain circumstances. These include cost method investments that are written down to fair value when their declines are determined to be other-than-temporary, and long-lived assets or goodwill that are written down to fair value when they are held for sale or determined to be impaired.

Company uses level-three inputs to measure the fair value of its cost method investments on a non-recurring basis. The Company's investments in ownership interests in noncontrolled entities do not have readily determinable fair values and were recorded at cost, $2.5 million, in aggregate. Quoted prices of the investments are not available, and the cost of obtaining an independent valuation appears excessive considering the materiality of the instruments to the Company. There were no gains or losses recognized in earnings associated with the Company's ownership interests in these noncontrolled entities during the years ended June 30, 2015 and 2014.

Company uses level-three inputs to measure the fair value of goodwill and other intangibles on a non-recurring basis. These assets are measured at cost and are written down to fair value on the annual measurement dates or on the date of a triggering event, if impaired. As of June 30, 2015, there were no indications present that the Company's goodwill or other purchased intangibles were impaired, and therefore were not measured at fair value. There were no gains or losses recognized in earnings associated with the above purchased intangibles during the years ended June 30, 2015 and 2014.

Table of Contents

4. RECEIVABLES

Receivables and secured loans consist of the following as of June 30, 2015 and June 30, 2014:

in thousands June 30,	2015	2014
Customer trade receivables	$11,835	$1,744
Wholesale trade advances	12,164	4,586
Due from brokers	6,056	33,079
Subtotal	30,055	39,409
Secured loans	48,666	41,261
Secured loans (long-term portion)	650	—
Subtotal	79,371	80,670
Less: allowance for doubtful accounts	(30)	(30)
Subtotal	79,341	80,640
Derivative assets — open sale and purchase commitments, net	1,722	22,170
Derivative assets — futures contracts	5,363	—
Derivative assets — forward contracts	4,279	14
Receivables, net	$90,705	$102,824

Customer trade receivables. Customer trade receivables represent short-term, non-interest bearing amounts due from precious metal sales and are secured by the related precious metals stored with the Company, a letter of credit issued on behalf of the customer, or other secured interests in assets of the customer.

Wholesale trade advances. Wholesale trade advances represent advances of various bullion products and cash advances to customers. Typically, these advances are: unsecured, short-term, and non-interest bearing, which are made to wholesale metals dealers and government mints.

Due from brokers. Due from brokers principally consists of the margin requirements held at brokers related to open futures contracts (see Note 12).

Secured loans - originated: Secured loans include short-term loans, which include a combination of on-demand lines and short term facilities, and long-term loans that are made to our customers (i.e., originated secured loans). These loans are fully secured by the customers' assets, that include bullion, numismatic and semi-numismatic material, which are typically held in safekeeping by TDS or CFC, wholly owned subsidiaries of the Company.

Secured loans - acquired: Secured loans also include short-term loans, which include a combination of on-demand lines and short term facilities, that are acquired from our customers. These loans are fully secured by the customers' assets, that include bullion, numismatic and semi-numismatic material, which are held in safekeeping by TDS or CFC, which are wholly owned subsidiaries of the Company.

Below is a summary of the carrying-value of our secured loans as of June 30, 2015 and June 30, 2014:

in thousands June 30,	2015	2014
Secured loans originated	$36,778	$32,577
Secured loans originated - with a related party	—	2,562
	36,778	35,139
Secured loans acquired	12,538	6,122
Secured loans, total	$49,316	$41,261

As of June 30, 2015 and June 30, 2014, our secured loans carried weighted-average effective interest rates of 8.5% and 7.9%, respectively, and mature in periods generally ranging from on-demand to two years.

Below is a summary of the significant secured loans that were modified, assumed or acquired and the financial effects of those agreements.

Arrangements with Customer

- On September 27, 2013, CFC assumed the rights from a borrower/customer to a portfolio of short-term loan receivables totaling $12.8 million for $0.4 million and the satisfaction of an existing outstanding loan, totaling $12.8 million, which was owed to CFC. This transaction resulted in the assignment of the borrower/customer's portfolio of loan receivables to CFC, which are collateralized by the underlying precious metal product of the customers of the borrower/customer. The loan premium is amortized ratably as the loan is paid off. The loans are due on demand with the option to extend maturities for 180 days. As of June 30, 2015, the aggregate carrying value of this loan portfolio was $2.1 million and the aggregate loan premium was $0.1 million, related to this transaction. As of June 30, 2014, the aggregate carrying value of this loan portfolio was $5.8 million and the aggregate loan premium was $0.3 million.

- On June 5, 2014, CFC assumed the rights to an additional portfolio of short-term loan receivables totaling $3.8 million for the aggregate principal amount of the loan portfolio. This transaction resulted in the assignment of the customer's portfolio of loan receivables to CFC, which are collateralized by each of the customer's borrowers' underlying precious metals. The customer had retained certain rights to repurchase these loans at a price equal to the then-outstanding principal balance, plus accrued and unpaid interest, but this repurchase right was subsequently rescinded in an amendment entered into in fiscal 2015. Additionally, the customer retains the responsibility for the servicing and administration of the loans. As a result of the terms of this arrangement, the Company reflects this transaction as a financing arrangement with the customer, secured by the portfolio of short-term loan receivables, which is collateralized by precious metal products. As of June 30, 2015 and June 30, 2014, the aggregate carrying value of this loan portfolio was $0.9 million and $3.8 million, respectively.

- On July 1, 2014, CFC assumed the rights to an additional portfolio of short-term loan receivables totaling $3.7 million for the aggregate principal amount of the loan portfolio. This transaction resulted in the assignment of the customer's portfolio of loan receivables to CFC, which are collateralized by each of the customer's borrowers' underlying precious metals. Additionally, the customer retains the responsibility for the servicing and administration of the loans. As of June 30, 2015, the aggregate carrying value of this loan portfolio was $1.6 million.

- On January 23, 2015, CFC assumed the rights to an additional portfolio of short-term loan receivables totaling $3.1 million for the aggregate principal amount of the loan portfolio. This transaction resulted in the assignment of the customer's portfolio of loan receivables to CFC, which are collateralized by each of the customer's borrowers' underlying precious metals. Additionally, the customer retains the responsibility for the servicing and administration of the loans. As of June 30, 2015, the aggregate carrying value of this loan portfolio was $2.5 million.
- On April 1, 2015, CFC assumed the rights to an additional portfolio of short-term loan receivables totaling $2.4 million for the aggregate principal amount of the loan portfolio. This transaction resulted in the assignment of the customer's portfolio of loan receivables to CFC, which are collateralized by each of the customer's borrowers' underlying precious metals. Additionally, the customer retains the responsibility for the servicing and administration of the loans. As of June 30, 2015, the aggregate carrying value of this loan portfolio was $2.1 million.
- On June 9, 2015, CFC assumed the rights to an additional portfolio of short-term loan receivables totaling $4.1 million for the aggregate principal amount of the loan portfolio. This transaction resulted in the assignment of the customer's portfolio of loan receivables to CFC, which are collateralized by each of the customer's borrowers' underlying precious metals. Additionally, the customer retains the responsibility for the servicing and administration of the loans. As of June 30, 2015, the aggregate carrying value of this loan portfolio was $3.9 million.

Arrangements with Related Party

- On June 18, 2014, CFC assumed the rights to a secured portfolio of short-term loan receivables totaling $2.6 million from Stack's Bowers Numismatics, LLC ("Stack's Bowers"), a wholly-owned subsidiary of our Former Parent. The

Company reflects this transaction as a financing arrangement with the related party, secured by the portfolio of short-term loan receivables, which is collateralized by numismatic and semi numismatic products. As of June 30, 2015 and June 30, 2014, the aggregate carrying value of this loan was $0.0 million and $2.6

Table of Contents

million, respectively, bearing interest at 5.5% per annum. This secured loan was paid off in full, plus accrued interest, on August 19, 2014.

- On October 9, 2014, CFC entered into a loan agreement with Stack's Bowers, providing for a secured line of credit in the maximum principal amount of up to $16.0 million, bearing interest at a competitive rate per annum. Advances under the line of credit are secured by numismatic and semi-numismatic products and receivables. This secured loan was paid off in full, plus accrued interest, on April 15, 2015. As of June 30, 2015, the aggregate carrying value of this loan was $0.0 million.
- Subsequent to fiscal 2015, on July 23, 2015, CFC entered into a loan agreement and related documents with Stack's Bowers, providing a secured line of credit in the maximum principal amount of up to $2.5 million, bearing interest at a competitive rate per annum. The amount of the initial draw was $1.8 million, which has subsequently been partially repaid. The loan is secured by numismatic and semi-numismatic products.

The secured loans that the Company generates with active customers of A-Mark are reflected as an operating activity on the consolidated statements of cash flows within receivables. The secured loans that the Company generates with borrowers who are not active customers of A-Mark are reflected as an investing activity on the consolidated statements of cash flows as secured loans, net.

For the secured loans that are reflected as an investing activity and have terms that allow the borrower to increase their loan balance (at the discretion of the Company) based on the excess value of their collateral compared to their aggregate principal balance of loan and are repayable on demand or in the short-term, the borrowings and repayments are netted on the consolidated statements of cash flows. In contrast, for the secured loans that are reflected as an investing activity and do not contain a revolving credit-line feature or have long-term maturities, the borrowed funds are shown at gross as other originated secured loans, segregated from the repayments of the principal, which are shown as principal collections on other originated secured loans on the consolidated statements of cash flows.

Derivative assets and liabilities. The Company's derivative assets and liabilities represent the net fair value of the difference between market values and trade values at the trade date for open precious metals sale and purchase contracts, as adjusted on a daily basis for changes in market values of the underlying metals, until settled (see Note 12.) The Company's derivative assets and liabilities represent the net fair value of open precious metals forwards and futures contracts. The precious metals forwards and futures contracts are settled at the contract settlement date.

Credit Quality of Financing Receivables and Allowance for Credit Losses

The Company applies a systematic methodology to determine the allowance for credit losses for finance receivables. The finance receivables portfolio is comprised solely of secured commercial loans with similar risk profiles. This similarity allows the Company to apply a standard methodology to determine the credit quality for each loan. The credit quality of each loan is generally determined by the secured material, the initial and ongoing collateral value determination and the assessment of loan to value determination. Typically, the Company's finance receivables within its portfolio have similar credit risk profiles and methods for assessing and monitoring credit risk.

The Company evaluates its loan portfolio in one of three classes of finance receivables: those loans secured by: 1) bullion 2) numismatic items and 3) customers' pledged assets, which may include bullion and numismatic items. The Company's secured loans by portfolio class, which align with management reporting, are as follows:

in thousands

June 30,	2015			2014		
Bullion	$16,250	33.0	%	$17,361	42.1	%
Numismatic and semi numismatic	32,216	65.3		23,900	57.9	
Subtotal	48,466	98.3		41,261	100.0	
Other pledged assets(1)	850	1.7		—	—	
Total secured loans	$49,316	100.0	%	$41,261	100.0	%

(1) Includes secured loans that are collateralized by borrower's assets, which are not exclusively precious metal products.

Each of the three classes of receivables have the same initial measurement attribute and a similar method for assessing and monitoring credit risk. The methodology of assessing the credit quality of the secured loans acquired by the Company is similar to the secured loans originated loans by the Company; they are administered using the same internal reporting system, collateralized by precious metals or other pledged assets, for which a loan to value determination procedures are applied.

Table of Contents

Credit Quality of Loans and Non Performing Status

Generally, interest is due and payable within 30 days. A loan is considered past due if interest is not paid in 30 days or collateral calls are not met timely. Typically, loans do not achieve the threshold of non performing status due to the fact that customers are generally put into default for any interest past due over 30 days and for unsatisfied collateral calls. When this occurs the loan collateral is typically liquidated within 90 days.

For certain secured loans, interest is billed monthly and, if not paid, is added to the outstanding loan balance. These secured loans are considered past due if their current loan-to-value ratio fails to meet established minimum equity levels, and the borrower fails to meet the collateral call required to reestablish the appropriate loan to value ratio.

Non-performing loans have the highest probability for credit loss. The allowance for credit losses attributable to non-performing loans is based on the most probable source of repayment, which is normally the liquidation of collateral. In determining collateral value, the Company estimates the current market value of the collateral and considers credit enhancements such as additional collateral and third-party guarantees. Due to the accelerated liquidation terms of the Company's loan portfolio, all past due loans are generally liquidated within 90 days of default.

Further information about the Company's credit quality indicators includes differentiating by categories of current loan-to-value ratios. The Company disaggregates its secured loans that are collateralized by precious metal products, as follows:

in thousands

June 30,	2015			2014		
Loan-to-value of 75% or more [1]	$17,153	35.4	%	$11,950	29.0	%
Loan-to-value of less than 75% [1]	31,313	64.6		29,311	71.0	
Secured loans collateralized by precious metal products [1]	$48,466	100.0	%	$41,261	100.0	%

(1) Excludes secured loans that are collateralized by borrower's assets, which are not exclusively precious metal products.

The Company had one loan with a loan-to-value ratio in excess of 100% at June 30, 2015. The aggregate balance of this loan totaled $175,600 or 0.4% of the secured loan balance. The Company had no loans with a loan-to-value ratio in excess of 100% at June 30, 2014.

For the Company's secured loans where the loan-to-value ratio is not a valid indicator (because the loans are collateralized by other assets of the borrower in addition to their precious metal inventory) the Company uses other indicators to measure the quality of this type of loan. For this type of loan, the Company use the following credit quality indicators: accounts receivable-to-loan ratios and inventory-to loan ratios and delinquency status of the loan.

Impaired loans

A loan is considered impaired if it is probable, based on current information and events, that the Company will be unable to collect all amounts due according to the contractual terms of the loan. Customer loans are reviewed for impairment and include loans that are past due, non-performing or in bankruptcy. Recognition of interest income is suspended and the loan is placed on non-accrual status when management determines that collection of future interest income is not probable. Accrual is resumed, and previously suspended interest income is recognized, when the loan becomes contractually current and/or collection doubts are removed. Cash receipts on impaired loans are recorded first against the receivable and then to any unrecognized interest income.

All loans are contractually subject to margin call. As a result, loans typically do not become impaired due to the fact the Company has the ability to require margin calls which are due upon receipt. Per the terms of the loan agreement, the Company has the right to rapidly liquidate the loan collateral in the event of a default. The material is highly liquid and easily sold to pay off the loan. Such circumstances would result in a short term impairment that would typically result in full repayment of the loan and fees due to the Company.

For the years ended June 30, 2015 and 2014, the Company incurred no loan impairment costs.

Table of Contents

Allowance for Doubtful Accounts

Allowances for doubtful accounts are recorded based on specifically identified receivables, which the Company has identified as potentially uncollectible. As summary of the activity in the allowance for doubtful accounts is as follows:

in thousands

Period ended:	Beginning Balance	Provision	Charge-off	Ending Balance
Year Ended June 30, 2015	$30	$—	$—	$30
Year Ended June 30, 2014	$104	$—	$(74)	$30

5. INVENTORIES

Our inventory consists of the precious metals that the Company has physically received, and inventory held by third-parties, which at the Company's option may or may not receive. Below, our inventory is summarized by classification at June 30, 2015 and June 30, 2014:

in thousands

June 30,	2015	2014
Inventory held for sale	$86,353	$100,877
Repurchase arrangements with customers	49,117	27,727
Consignment arrangements with customers	5,588	11,067
Commemorative coins, held at lower of cost or market	1,518	2,564
Borrowed precious metals from suppliers	9,500	8,709
Product financing arrangements, restricted	39,425	24,610
	$191,501	$175,554

Inventory held for sale. Inventory held for sale represents precious metals, excluding commemorative coin inventory, that have been received by the Company that is not subject to repurchase or consignment arrangements with third parties. As of June 30, 2015 and June 30, 2014, the inventory held for sale totaled $86.4 million and $100.9 million, respectively.

Repurchase Arrangements with Customers. The Company enters into arrangements with certain customers under which A-Mark purchases precious metals products that are subject to repurchase by the customer at the fair value of the product on the repurchase date. The Company or the counterparty may typically terminate any such arrangement with 14 days' notice. Upon termination the customer's rights to repurchase any remaining inventory is forfeited. As of June 30, 2015 and June 30, 2014, included within inventory is $49.1 million and $27.7 million, respectively, of precious metals products subject to repurchase.

Consignment Arrangements with Customers. The Company periodically loans metals to customers on a short-term consignment basis, charging interest fees based on the value of the metal loaned. Inventories loaned under consignment arrangements to customers as of June 30, 2015 and June 30, 2014 totaled $5.6 million and $11.1 million, respectively. Such inventories are removed at the time the customer elects to price and purchase the precious metals, and the Company records a corresponding sale and receivable. Substantially all inventories loaned under consignment arrangements are collateralized for the benefit of the Company.

Commemorative Coins. Our commemorative coin inventory, including its premium component, is held at the lower of cost or market, because the value of commemorative coins is influenced more by supply and demand determinants than on the underlying spot price of the precious metal content of the commemorative coins. Unlike our bullion coins, the value of commemorative coins is not subject to the same level of volatility as bullion coins because our commemorative coins typically carry a substantially higher premium over the spot metal price than bullion coins. Our commemorative coins are not hedged, are included in inventory at the lower of cost or market and totaled $1.5 million and $2.6 million as of June 30, 2015 and June 30, 2014, respectively.

Borrowed Precious Metals from Suppliers. Inventories include amounts borrowed from suppliers under arrangements to purchase precious metals on an unallocated basis that are held by the supplier. Unallocated or pool metal represents an unsegregated inventory position that is due on demand, in a specified physical form, based on the total ounces of metal held in the position. Amounts under these arrangements require delivery either in the form of precious metals or cash. Corresponding obligations related to liabilities on borrowed metals are reflected on the consolidated balance sheets and totaled $9.5 million and $8.7 million as of June 30, 2015 and June 30, 2014, respectively.

Table of Contents

Product Financing Arrangements. Inventories include amounts for obligations under product financing agreement. The Company enters into a product financing agreement for the transfer and subsequent re-acquisition of gold and silver at a fixed price to a third party finance company. This inventory is restricted and is held at a custodial storage facility in exchange for a financing fee, by the third party finance company. During the term of the financing, the third party finance company holds the inventory as collateral, and both parties intend to return the inventory to the Company at an agreed-upon price based on the spot price on the finance arrangement termination date. The third party charges a monthly fee as percentage of the market value of the outstanding obligation; such monthly charge is classified in interest expense. Pursuant to the guidance in ASC 470-40 Product Financing Arrangements, these transactions do not qualify as sales and therefore have been accounted for as financing arrangements and reflected in the consolidated balance sheet within product financing arrangement. The obligation is stated at the amount required to repurchase the outstanding inventory. Both the product financing and the underlying inventory are carried at fair value, with changes in fair value included in cost of sales in the consolidated statements of income. Such obligation totaled $39.4 million and $24.6 million as of June 30, 2015 and June 30, 2014, respectively.
The Company mitigates market risk of its physical inventories and open commitments through commodity hedge transactions (see Note 12.)
Premium component of inventory
The Company's inventories primarily include bullion and bullion coins and are acquired and initially recorded at fair market value. The fair market value of the bullion and bullion coins is comprised of two components: (1) published market values attributable to the cost of the raw precious metal, and (2) a published premium paid at acquisition of the metal. The premium is attributable to the additional value of the product in its finished goods form and the market value attributable solely to the premium may be readily determined, as it is published by multiple reputable sources. The premium is included in the cost of the inventory, paid at acquisition, and is a component of the total fair market value of the inventory. The precious metal component of the inventory may be hedged through the use of precious metal commodity positions, while the premium component of our inventory is not a commodity that may be hedged.
The Company's inventories are subsequently recorded at their fair market values, that is, "marked-to-market", except for our commemorative coin inventory. The daily changes in the fair market value of our inventory are offset by daily changes in fair market value of hedging derivatives that are taken with respects to our inventory positions; both the change in the fair market value of the inventory and the change in the fair market value of these derivative instruments are recorded in cost of sales in the consolidated statements of income.
The premium component, at market value, included in the inventories as of June 30, 2015 and June 30, 2014 totaled $3.3 million and $3.3 million, respectively. As of June 30, 2015 and June 30, 2014, the unrealized gains (losses) resulting from the difference between market value and cost of physical inventories were $(3.9) million and $3.8 million, respectively.

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2015 and June 30, 2014:

in thousands		
June 30,	2015	2014
Office furniture, fixtures and equipment	$616	$490
Computer equipment	368	323
Computer software	2,376	2,333
Leasehold improvements	1,700	260
Subtotal	5,060	3,406
Less: accumulated depreciation	(2,210)	(1,728)
Property and equipment, net	$2,850	$1,678

Depreciation expense for the years ended June 30, 2015 and 2014 was $0.5 million and $0.5 million, respectively.

7. GOODWILL AND INTANGIBLE ASSETS

On July 1, 2005, all of the outstanding common stock of A-Mark was acquired by Spectrum PMI, Inc. Spectrum PMI was a holding company whose outstanding common stock was owned 80% by SGI, and 20% by Auctentia, S.L. In

September 2012, SGI purchased from Auctentia its 20% interest in Spectrum PMI. On September 30, 2013, Spectrum PMI was merged with and into SGI, as a result of which all of the outstanding shares of A Mark were then owned directly by SGI.

In connection with the acquisition of A-Mark by Spectrum PMI on July 1, 2005, the accounts of the Company were adjusted using the push down basis of accounting to recognize the allocation of the consideration paid to the respective net assets acquired. In accordance with the push down basis of accounting, the Company's net assets were adjusted to their fair values as of

Table of Contents

the date of the acquisition based upon an independent appraisal, which resulted in goodwill of $4.9 million and identifiable purchased intangible assets of $8.4 million. Goodwill represents the excess of the purchase price and related costs over the value assigned to intangible assets of businesses acquired and accounted for under the purchase method.
The carrying value of other purchased intangibles as of June 30, 2015 and June 30, 2014 is as described below:
dollar amounts in thousands

		June 30, 2015			June 30, 2014		
	Estimated Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Trade-name	Indefinite	$454	$—	$454	$454	$—	$454
Existing customer relationships	5 - 15	5,747	(3,832)	1,915	5,747	(3,448)	2,299
Non-compete and other	4	2,000	(2,000)	—	2,000	(2,000)	—
Employment agreement	3	195	(195)	—	195	(195)	—
Purchased intangibles subject to amortization		7,942	(6,027)	1,915	7,942	(5,643)	2,299
		$8,396	$(6,027)	$2,369	$8,396	$(5,643)	$2,753

The Company's other purchased intangible assets are subject to amortization except for trademarks, which have an indefinite life. Intangible assets subject to amortization are amortized using the straight-line method over their useful lives, which are estimated to be four to fifteen years. Amortization expense related to the Company's intangible assets for the years ended June 30, 2015 and 2014 was $0.4 million and $0.4 million, respectively.

Estimated amortization expense on an annual basis for the succeeding five years is as follows (in thousands):

Fiscal year ending June 30,	Amount
2016	$385
2017	385
2018	385
2019	385
2020	375
Thereafter	—
Total	$1,915

8. ACCOUNTS PAYABLE

Accounts payable consist of the following:
in thousands

June 30,	2015	2014
Trade payable to customers payables	$128	$366
Advances from customers	38,039	38,739
Liability on deferred revenue	11,039	4,177
Net liability on margin accounts	6,908	8,983
Other accounts payable	1,433	1,362
Subtotal	57,547	53,627
Derivative liabilities — open sales and purchase commitments, net	10,989	848
Derivative liabilities — futures contracts	—	8,078
Derivative liabilities — forward contracts	—	14,873
	$68,536	$77,426

9. INCOME TAXES

The Company files a consolidated federal income tax return based on a June 30th tax year end. The provision for (benefit from) income taxes for the years ended June 30, 2015 and 2014 consists of the following:

in thousands		
Years Ended June 30,	2015	2014
Current:		
Federal	3,498	(1,788)
State and local	(464)	130
Foreign	49	—
	3,083	(1,658)
Deferred:		
Federal	(182)	6,405
State and local	(804)	525
	(986)	6,930
Provision for income taxes	$2,097	$5,272

A reconciliation of the income tax provisions to the amounts computed by applying the statutory federal income tax rate (35% for 2015, and 2014) to income before income tax provisions for the years ended June 30, 2015 and 2014, are set forth below:

in thousands		
Years Ended June 30,	2015	2014
Federal income tax	$3,202	$4,736
State tax, net of federal benefit	193	212
Compensation in excess of $1 million	53	—
Uncertain tax positions	(352)	22
Reallocation of deferred state net operating loss from Former Parent related to tax settlement	(564)	—
Valuation allowance	(215)	329
Other	(220)	(27)
Total provision for income taxes	$2,097	$5,272

Table of Contents

Significant components of the Company's net deferred tax assets and liabilities as of June 30, 2015 and 2014 are as follows:

in thousands

June 30,	2015	2014
Accrued compensation	$102	$236
Deferred rent	30	—
Unrealized loss on futures and forward contracts	—	3,170
Unrealized loss on open purchase and sale commitments	1,894	—
Stock-based compensation	159	133
State tax accrual	23	349
Net operating loss carry forwards	982	775
Other	132	34
Deferred tax assets	3,322	4,697
Less: valuation allowances	(114)	(329)
Deferred tax assets after valuation allowances	3,208	4,368
Intangible assets	(1,059)	(913)
Unrealized gain on open purchase and sale commitments	—	(2,533)
Unrealized gain on futures and forward contracts	(2,029)	—
Fixed assets	(134)	(224)
Inventories	(110)	(2,164)
Other	(2)	(23)
Deferred tax liabilities	(3,334)	(5,857)
Net deferred tax liability	$(126)	$(1,489)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. During the year ended June 30, 2015, management concluded that with the exception of certain state net operating losses, it was more likely than not that the Company would be able to realize the benefit of the U.S. federal and state deferred tax assets in the future. We based this conclusion on historical and projected operating performance, as well as our expectation that our operations will generate sufficient taxable income in future periods to realize the tax benefits associated with the deferred tax assets. As of June 30, 2015 and 2014, the Company had $0.1 million and $0.3 million, respectively, of valuation allowance for its realizability of deferred tax assets. The Company will continue to assess the need for a valuation allowance in the future by evaluating both positive and negative evidence that may exist.

The Company's consolidated financial statements recognized the current and deferred income tax consequences that result from the Company's activities during the current and preceding periods, as if the Company were a separate taxpayer during the period prior to the Distribution rather than a member of the Former Parent's consolidated income tax return group. Current tax receivable from Former Parent reflects balances due from the Former Parent to A-Mark for its share of the income tax assets of the group. Income taxes receivable represents amounts paid to federal and state jurisdictions due to taxable income generated following the close of the transaction.

As of June 30, 2015, the Company has state and city net operating loss carryforwards of approximately $17.6 million, which expire beginning with the year ending June 30, 2030. The tax effect of the state and city net operating loss carryforwards included in the Company's deferred tax assets is $0.9 million. Due to limitations on the ability to use certain state and city net operating loss carryforwards, the Company has recorded a valuation allowance of $0.1 million against these assets as the Company believes that it is not more likely than not that they will realize the benefit of these carryforwards.

Table of Contents

A reconciliation of the net unrecognized tax benefits for the years ended June 30, 2015 and 2014 is as follows:

in thousands June 30,	2015	2014
Beginning balance	$730	$733
Reductions due to lapse of statute of limitations	(147)	(3)
Additions reductions as a result of tax positions taken during current period	4	—
Reductions as a result of tax positions of prior years	(134)	—
Settlements	(210)	—
Ending balance	$243	$730

As of June 30, 2015, the Company had $0.2 million of unrecognized tax benefits and $0.1 million of liabilities for interest expense related to uncertain tax positions.. Of the total unrecognized tax benefits, $0.2 million would reduce the Company's effective tax rate, if recognized. As of June 30, 2014, the Company had $0.7 million of unrecognized tax benefits and $0.2 million of liabilities for interest expense related to uncertain tax positions. Of the total unrecognized tax benefits, $0.7 million would reduce the Company's effective tax rate, if recognized. For the years ended June 30, 2015 and 2014, the Company recognized approximately $(80,000) of interest benefit and $40,000 of interest expense related to uncertain tax positions, respectively. As of June 30, 2015 and 2014, the Company recognized approximately $72,000 and $195,000 of accrued tax penalties, respectively.

The Company files income tax returns in the U.S. and various states. Prior to the Distribution, the Company was included in the consolidated federal and state tax filing of the Former Parent. The Former Parent has been under examination by the IRS for the years ended June 30, 2004 through 2013; however, during the year ended June 30, 2015, the Former Parent was notified that it had successfully resolved the June 30, 2004 through June 30, 2007 tax years. As a result of the IRS exam, the Former Parent amended the state tax filings for the applicable periods. The amended state tax filings resulted in a tax benefit of approximately $0.6 million related to state net operating loss apportioned to the Company under intrastate apportionment rules. The Former Parent remains in appeals with the IRS for the years ended June 30, 2008 through 2013 and in examination with other taxing jurisdictions on certain tax matters, including challenges to certain positions the Former Parent has taken. The Former Parent is unable to determine the outcome of these audits at this time. With few exceptions, either prior federal, state or local examinations have been completed by the tax authorities or the statute of limitations have expired for U.S. federal, state and local income tax returns filed by the Former Parent for the years through 2003.

In connection with the spinoff, the Company entered into a Tax Separation Agreement with SGI. The Tax Separation Agreement governs the respective rights, responsibilities and obligations of SGI and us with respect to, among other things, liabilities for U.S. federal, state, local and other taxes. In addition to the allocation of tax liabilities, the Tax Separation Agreement addresses the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Pursuant to the Tax Separation Agreement, A-Mark may be responsible for any tax amount related to A-Mark that is incurred as the result of adjustments made during the Internal Revenue Service examination or other tax jurisdictions' examinations of the Former Parent. Under the terms of the Tax Separation Agreement, SGI will have the responsibility to prepare and file tax returns for tax periods ending prior to the Distribution date and for tax periods which include the Distribution date but end after the Distribution date, which will include A-Mark and its subsidiaries. These tax returns will be prepared on a basis consistent with past practices. The Company will cooperate in the preparation of these tax returns and have an opportunity to review and comment on these returns prior to filing. A-Mark will pay all taxes attributable to A-Mark and its subsidiaries, and will be entitled to any refund with respect to taxes it has paid.

The amounts receivable under the Company's income tax sharing obligation due from SGI totaled $1.1 million, and $3.1 million as of June 30, 2015 and June 30, 2014, respectively, and is shown on the face of the consolidated balance sheets as income taxes receivable from Former Parent. Based on the terms to the Tax Separation Agreement, payment is due to the Company after SGI files its tax return and is in receipt of its tax refund from the IRS. Furthermore, pursuant to the terms of the Tax Separation Agreement, the Company has been allocated approximately $15.7 million

of state net operating losses. These net operating losses resulted in a deferred tax asset of $0.9 million.
SGI received a written opinion from Kramer Levin Naftalis & Frankel LLP that the spinoff qualifies as a tax-free transaction under Section 355 of the Internal Revenue Code and that for U.S. federal income tax purposes, (i) no gain or loss shall be recognized by SGI upon the distribution of our common stock in the spinoff, and (ii) no gain or loss shall be recognized by, and no amount will be included in the income of, holders of SGI common stock upon the receipt of shares of our common stock in the spinoff. If, notwithstanding the conclusions included in the opinion, it is ultimately determined that the distribution does not qualify as tax-free for U.S. federal income tax purposes, each SGI shareholder that is subject to U.S. federal income tax and that received shares of our common stock in the distribution could be treated as receiving a taxable distribution in an amount equal to the fair market value of such shares. In addition, if the distribution were not to qualify as tax-free for U.S. federal income tax purposes, then SGI would recognize gain in an amount equal to the excess of the fair market value of our common stock distributed to SGI

Table of Contents

shareholders on the date of the distribution over SGI's tax basis in such shares. Also, we could have an indemnification obligation to SGI related to its tax liability. The Company considers this possible outcome as remote, and as a result, no liability has been recorded.

10. RELATED PARTY TRANSACTIONS

Sales and Purchases Made to Affiliated Companies

During the years ended June 30, 2015 and 2014, the Company made sales and purchases to various companies that had been under common control with A-Mark through the date of Distribution, and which have been deemed to be related parties as of June 30, 2015 and June 30, 2014.

in thousands

Years Ended June 30,	2015		2014	
	Sales	Purchases	Sales	Purchases
Related Party Company				
Calzona Ventures, LLC	$157	$—	$5,018	$464
Stack's Bowers Numismatics, LLC	7,364	9,201	11,925	11,187
Related party, total	$7,521	$9,201	$16,943	$11,651

As of June 30, 2015 and June 30, 2014, the Company's had related party receivables and payables balance as set forth below:

in thousands

June 30,	2015		2014		
	Receivables	Payable	Receivables		Payable
Related Party Company					
Calzona Ventures, LLC	$—	$—	$—		$67
Stack's Bowers Numismatics, LLC	2	10	2,563	(1)	205
SGI (Former Parent)	1,095	—	3,289		—
Related party, total	$1,097	$10	$5,852		$272

1) Includes a secured short-term loan receivable totaling $2.6 million bearing interest of 5.5% per annum, which was paid off in full, plus accrued interest, on August 19, 2014.

Secured Loans to Related Parties

On June 18, 2014, CFC assumed the rights to a secured portfolio of short-term loan receivables totaling $2.6 million from Stack's Bowers Numismatics, LLC (Stack's Bowers), a related party. The Company reflects this transaction as a financing arrangement with the related party, secured by the portfolio of short-term loan receivables collateralized by numismatic and semi numismatic products, and bearing interest at 5.5% per annum. As of June 30, 2015, the aggregate carrying value of this loan was $0.0 million. This secured loan was paid off in full, plus accrued interest, on August 19, 2014.

On October 9, 2014, CFC entered into a loan agreement with Stack's Bowers providing for a secured line of credit in the maximum principal amount of up to $16.0 million, bearing interest at a competitive rate per annum. Advances under the line of credit were secured by numismatic and semi-numismatic products. This secured loan was paid off in full, plus accrued interest, on April 15, 2015. As of June 30, 2015, the aggregate carrying value of this loan was $0.0 million.

During the years ended June 30, 2015 and 2014, the Company earned approximately $229,000 and $3,000 in interest income related to loans that we made to Stack's Bowers.

Subsequent to fiscal 2015, on July 23, 2015, CFC entered into a loan agreement with Stack's Bowers providing a secured line of credit in the maximum principal amount of up to $2.5 million, bearing interest at a competitive rate per annum. The amount of the initial draw was $1.8 million, which has subsequently been partially repaid. The loan is secured by numismatic and semi-numismatic products.

Corporate Overhead Charges

During the years ended June 30, 2015 and 2014, the Company incurred $0.0 million and $0.5 million, respectively, of corporate overhead charges, which were payable monthly to SGI based on the Former Parent's annual budget, and were included in selling, general and administrative expenses. As a result of the Distribution, this monthly obligation to SGI concluded.

Table of Contents

Secondment Agreement Fees and Reimbursements

Under the terms of the Secondment Agreement, A-Mark has agreed to make Gregory N. Roberts, our Chief Executive Officer, and Carol Meltzer, our Executive Vice President, General Counsel and Secretary, available to SGI for the performance of specified management and professional services following the spinoff in exchange for an annual secondment fee and reimbursement of certain bonus payments. The Secondment Agreement will terminate on June 30, 2016 and is subject to earlier termination under certain circumstances (see Note 1.) The Company records the accrual of secondment fees as a reduction to selling, general and administration expense. During the years ended June 30, 2015 and 2014 the Company accrued $0.2 million and $0.2 million, respectively, of secondment fees related to secondment fees due by fiscal year end, which the Company recorded as a reduction to selling, general and administration expense. As of June 30, 2015 and June 30, 2014 the outstanding balance of secondment fees due from SGI was $0.0 million and $0.2 million, respectively.

Income Tax Sharing Obligations

The amounts receivable under the Company's income tax sharing obligation due from SGI, totaled $1.1 million, and $3.1 million as of June 30, 2015 and June 30, 2014, respectively, and is shown on the face of the consolidated balance sheets as income taxes receivable from Former Parent (see Note 9.)

Dividends Paid

During the year ended June 30, 2014, the Company paid to SGI dividends totaling $10.0 million, in regards to dividends declared prior to the spinoff. Following the spinoff, the Company initiated a cash dividend policy that calls for the payment of a quarterly cash dividend of $0.05 per common share (see Note 14.)

Transaction with Affiliate of Board Member

In February 2015, A-M Global Logistics, LLC ("Logistics"), a wholly owned subsidiary of the Company that was formed to operate the Company's logistics fulfillment center in Las Vegas, Nevada, entered into various agreements with W. A. Richardson Builders, LLC ("WAR"), for the buildout of and improvements to the Las Vegas premises. The amount involved under the WAR contract was approximately $1.2 million, and Logistics paid WAR a fee equal to 5.0% of the contract work, or approximately $0.1 million. The spouse of the Chairman of the Company's Audit Committee, Ellis Landau, is an owner and a managing member of WAR.

Royalties to Former Owner

As part of the sales agreement dated July 1, 2005, a former owner of the Company receives a portion of the finance income earned with a specific customer through June 2015. The Company incurred $0.3 million and $0.2 million in selling, general and administrative expenses (royalty expense) during the years ended June 30, 2015 and 2014, respectively. The total amount due to the former owner of $0.3 million and $0.2 million are included in accrued liabilities as of June 30, 2015 and June 30, 2014, respectively.

11. FINANCING AGREEMENTS

Lines of Credit

The Company has a borrowing facility (“Trading Credit Facility”) with a group of financial institutions under an inter-creditor agreement, which provides for lines of credit up to the maximum of the credit facility. All lenders have a perfected, first security interest in all assets of the Company presented as collateral. Loan advances will be available against a borrowing base report of eligible assets in accordance with the inter-creditor agreement currently in place. Pledged collateral comprises assigned and confirmed inventory, trade receivable, trade advances, derivatives, equity and pledged non bullion and bullion loans.

As of June 30, 2015, the maximum of the Trading Credit Facility was $230.0 million. The Company routinely uses the Trading Credit Facility to purchase precious metals from suppliers and for operating cash flow purposes. Amounts under the Trading Credit Facility bear interest based on London Interbank Offered Rate (“LIBOR”) plus a margin. The one-month LIBOR rate was approximately 0.19% and 0.15% as of June 30, 2015 and June 30, 2014, respectively. Borrowings are due on demand and totaled $147.0 million and $135.2 million at June 30, 2015 and at June 30, 2014, respectively. The amounts available under the Trading Credit Facility are determined at the end of each week following a specified borrowing base formula. The Company is able to access additional credit as needed to finance operations, subject to the overall limits of the Trading Credit Facility and lender approval of the revised borrowing base calculation. The amounts available under the Trading Credit Facility after taking into consideration current borrowings, based upon the latest approved borrowing bases in effect, totaled $20.9 million and $14.4 million at June 30, 2015 and June 30, 2014, respectively.

The Trading Credit Facility has certain restrictive financial covenants, which require the Company to maintain a minimum tangible net worth. As of June 30, 2015 the minimum tangible net worth financial covenant under the Trading Credit Facility was $35.0 million. The Company is in compliance with all restrictive financial covenants as of June 30, 2015. The Company's ability

Table of Contents

to pay dividends, if it were to elect to do so, could be limited as a result of these restrictions. Each lender has the right to cancel its credit line upon written notice.

Through October 8, 2014, the Trading Credit Facility contained a sub-facility that the Company and SGI (a related party) could draw upon. Amounts available for borrowing under this sub-facility as of June 30, 2015 and June 30, 2014 were $0.0 million and $3.3 million, respectively. On October 8, 2014, SGI paid off its obligations under the sub-facility in full utilizing funds drawn from its line of credit with CFC, and SGI no longer has any right to draw upon the sub-facility.

Interest expense related to the Company's borrowing arrangements totaled $3.6 million and $3.3 million, which represents 83.2% and 84.4% of the total interest expense recognized, for the years ended June 30, 2015 and 2014, respectively. Our borrowing arrangements carried a daily weighted average effective interest rate of 2.82% and 3.12%, respectively, for the years ended June 30, 2015 and 2014.

Effective July 8, 2015, at the request of the Company, one of six institutional participants in the Company's Trading Credit Facility terminated its credit demand line of $40.0 million. Effective July 10, 2015, the Company obtained a permanent increase in its demand Trading Credit Facility through an increase of the credit demand line of one of five remaining institutional participants from $35.0 million to $45.0 million. Effective September 11, 2015, the Company obtained a permanent increase in its demand Trading Credit Facility through an increase of the credit demand line of another institutional participant from $35.0 million to $40.0 million. As a result, the aggregate line available to the Company under the facility at September 24, 2015 is $205.0 million.

Liability on Borrowed Metals

The Company borrows precious metals from its suppliers under short-term agreements, which bear interest at a designated rate. Amounts under these agreements are due at maturity and require repayment either in the form of precious metals or cash. The Company's inventories included borrowed metals with market values totaling $9.5 million and $8.7 million as of June 30, 2015 and June 30, 2014, respectively.

Product Financing Arrangement

The Company has an agreement with a financial institution (a third party) that allows the Company to transfer its gold and silver inventory at a fixed price to this third party. Such agreement allows the Company to repurchase this inventory at an agreed-upon price based on the spot price on the repurchase date. The third party charges a monthly fee as percentage of the market value of the outstanding obligation; such monthly charges are classified in interest expense. These transactions do not qualify as sales, and therefore have been accounted for as financing arrangements and reflected in the consolidated balance sheet within product financing obligation. The obligation is stated at the amount required to repurchase the outstanding inventory. Both the product financing obligation and the underlying inventory (which is entirely restricted) are carried at fair value, with changes in fair value recorded as a component of cost of sales in the consolidated statements of income. Such obligation totaled $39.4 million and $24.6 million as of June 30, 2015 and June 30, 2014, respectively.

12. HEDGING TRANSACTIONS

The Company is exposed to market risk, such as change in commodity prices, and foreign exchange rates. To manage the volatility relating to these exposures, the Company enters into various derivative products, such as forwards and futures. By policy, the Company historically has not entered into derivative financial instruments for trading purposes or for speculation.

Commodity Price Management

The Company manages the value of certain specific assets and liabilities of its trading business, including trading inventories, by employing a variety of strategies. These strategies include the management of exposure to changes in the market values of the Company's trading inventories through the purchase and sale of a variety of derivative products such as forwards and futures related to precious metal prices.

The Company's trading inventories and purchase and sale transactions consist primarily of precious metal bearing products. The value of these assets and liabilities are linked to the prevailing price of the underlying precious metals. The Company's precious metals inventories are subject to market value changes, created by changes in the underlying commodity markets. Inventories purchased or borrowed by the Company are subject to price changes. Inventories borrowed are considered natural hedges, since changes in value of the metal held are offset by the obligation to return the metal to the supplier.

Open sale and purchase commitments are subject to changes in value between the date the purchase or sale price is fixed (the trade date) and the date the metal is received or delivered (the settlement date). The Company seeks to minimize the effect of price changes of the underlying commodity through the use of forward and futures contracts. The Company's policy is to substantially hedge its inventory position, net of open sale and purchase commitments that is subject to price risk. The Company regularly enters into precious metals commodity forward and futures contracts with major

Table of Contents

financial institutions to hedge price changes that would cause changes in the value of its physical metals positions and purchase commitments and sale commitments. The Company has access to all of the precious metals markets, allowing it to place hedges. However, the Company also maintains relationships with major market makers in every major precious metals dealing center.

The Company enters into these derivative transactions solely for the purpose of hedging our inventory holding risk, and not for speculative market purposes. Due to the nature of the Company's global hedging strategy, the Company is not using hedge accounting as defined under Topic 815 of the ASC, whereby the gains or losses would be deferred and included as a component of other comprehensive income. Instead, gains or losses resulting from the Company's futures and forward contracts and open sale and purchase commitments are reported as unrealized gains or losses on commodity contracts (a component of cost of sales) with the related unrealized amounts due from or to counterparties reflected as a derivative asset or liability (a component of receivables or payables).

Below, is a summary of the net losses on derivative instruments for the years ended June 30, 2015 and 2014.

in thousands		
Years Ended June 30,	2015	2014
Gain (loss) on derivative instruments:		
Unrealized loss on open future commodity and forward contracts and open sale and purchase commitments, net	$(1,980)	$(13,123)
Realized loss on future commodity contracts, net	(50,772)	(9,968)
Total	$(52,752)	$(23,091)

The Company’s management sets credit and position risk limits. These limits include gross position limits for counterparties engaged in sales and purchase transactions with the Company. They also include collateral limits for different types of sale and purchase transactions that counterparties may engage in from time to time.

63

Table of Contents

The following table summarizes the results of our hedging activities as follows at June 30, 2015 and at June 30, 2014, showing the precious metal commodity inventory position, net of open sale and purchase commitments, which is subject to price risk.

in thousands

June 30,	2015	2014
Inventory	$191,501	$175,554
Less unhedgable inventory:		
Commemorative coin inventory, held at lower of cost or market	(1,518)	(2,564)
Premium on metals position	(3,255)	(3,285)
Inventory value not hedged	(4,773)	(5,849)
Subtotal	186,728	169,705
Commitments at market:		
Open inventory purchase commitments	444,023	489,944
Open inventory sales commitments	(249,081)	(190,108)
Margin sale commitments	(12,430)	(15,751)
In-transit inventory no longer subject to market risk	(13,807)	(4,522)
Unhedgable premiums on open commitment positions	528	1,694
Inventory borrowed from suppliers	(9,500)	(8,709)
Product financing obligation	(39,425)	(24,610)
Advances on industrial metals	3,340	8,813
Inventory subject to price risk	310,376	426,456
Inventory subject to derivative financial instruments:		
Precious metals forward contracts at market values	202,323	206,055
Precious metals futures contracts at market values	107,993	220,984
Total market value of derivative financial instruments	310,316	427,039
Net inventory subject to commodity price risk	$60	$(583)

As of June 30, 2015 and June 30, 2014, the Company had the following outstanding commitments and open forward and future contracts:

in thousands

	June 30, 2015	June 30, 2014
Purchase commitments	$444,023	$489,944
Sales commitments	(249,081)	(190,108)
Margin sales commitments	(12,430)	(15,751)
Open forward contracts	202,323	206,055
Open futures contracts	107,993	220,984

The contract amounts of these forward and futures contracts and the open sales and purchase orders are not reflected in the accompanying consolidated balance sheet. The difference between the market price of the underlying metal or contract and the trade amount is recorded at fair value.

The Company’s open sale and purchase commitments typically settle within 2 business days, and for those commitments that do not have stated settlement dates, the Company has the right to settle the positions upon demand. Futures and forwards contracts open at June 30, 2015 are scheduled to settle within 30 days.

The Company is exposed to the risk of failure of the counterparties to its derivative contracts. Significant judgment is applied by the Company when evaluating the fair value implications. The Company regularly reviews the creditworthiness of its

major counterparties and monitors its exposure to concentrations. At June 30, 2015, the Company believes its risk of counterparty default is mitigated as a result of such evaluation and the short-term duration of these arrangements.

Foreign Currency Exchange Rate Management

The Company utilizes foreign currency forward contracts to manage the effect of foreign currency exchange fluctuations of its sale and purchase transactions. These contracts generally have maturities of less than one week. The accounting treatment of our foreign currency exchange derivative instruments is similar to the accounting treatment of our commodity derivative instruments, that is, the change in the value in the financial instrument is immediately recognized as a component of cost of sales. Unrealized net gains (losses) on foreign exchange derivative instruments shown on the face of the consolidated statements of income totaled $19,000 and $(6,000) for the years ended June 30, 2015 and 2014, respectively. The market values (fair values) of the Company's foreign exchange forward contracts and the net open sale and purchase commitment transactions, denominated in foreign currencies, outstanding at June 30, 2015 was $6.2 million and $9.9 million, respectively. The market values (fair values) of the Company's foreign exchange forward contracts and the net open sale and purchase commitment transactions, denominated in foreign currencies, outstanding at June 30, 2014 was $2.7 million and $3.8 million, respectively.

Offsetting Derivative Instruments

In respect to the Company's derivative contracts with the same counterparty, the receivables and payables have been netted on the consolidated balance sheets. Such derivative contracts include open sale and purchase commitments, futures, forwards and margin accounts. In the table below, the aggregate gross and net derivative receivables and payables balances are presented by contract type and type of hedge, as of June 30, 2015 and June 30, 2014.

Years Ended June 30,	2015				2014			
in thousands	Gross Derivative	Amounts Netted	Cash Collateral Pledge	Net Derivative	Gross Derivative	Amounts Netted	Cash Collateral Pledge	Net Derivative
Nettable derivative receivables:								
Open sale and purchase commitments	$2,815	$(1,093)	$—	$1,722	$26,282	$(4,112)	$—	$22,170
Future contracts	11,159	(5,796)	—	5,363	—	—	—	—
Forward contracts	4,279	—	—	4,279	14	—	—	14
	$18,253	$(6,889)	$—	$11,364	$26,296	$(4,112)	$—	$22,184
Nettable derivative payables:								
Open sale and purchase commitments	$11,723	$(734)	$—	$10,989	$1,022	$(174)	$—	$848
Margin accounts	12,430	—	(5,522)	6,908	15,751	—	(6,768)	8,983
Future contracts	—	—		—	(15,121)	—	23,199	8,078
Forward contracts	—	—	—	—	14,873	—	—	14,873
	$24,153	$(734)	$(5,522)	$17,897	$16,525	$(174)	$16,431	$32,782

13. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company lease 7,100 square feet of office space, located in Santa Monica, California, at a cost of $3.80 per square foot with annual increases in cost of 3%. This lease will expire on April 30, 2017.

The Company leases 2,142 square feet of office space, located in Vienna, Austria, at a cost of $2.20 per square foot. The lease will expire on September 30, 2017, and there are no annual increases in the cost.

The Company leases approximately 14,000 square feet of warehouse space in Las Vegas, Nevada at a cost of approximately $252 thousand per year. The term of the lease is 5.0 years with increases in costs of 3.0% per annum. On August 28, 2015, Logistics entered into an amendment to its lease agreement with the landlord of the Nevada facility to expand the leased premises by an additional approximately 3,600 square feet at an additional cost of $1.50 per each square foot per month, resulting in total leased premises of approximately 17,600 square feet.

Expenses related to leases were $0.4 million, and $0.4 million, respectively, for the years ended June 30, 2015 and 2014.

Table of Contents

Future minimum lease payments under the Company's lease arrangements with noncancelable lease terms in excess of one year as of June 30, 2015 are as follows:

(in thousands)	
Years ending June 30,	Amount
2016	$655
2017	570
2018	268
2019	276
2020	236
Thereafter	—
Total	$2,005

Employment and Non-Compete Agreements

The Company has entered into various employment agreements and non compete and/or non solicitation agreements with certain key executive officers and other key employees. The employment agreements provide for minimum salary levels, incentive compensation and severance benefits, among other items.

Employee Benefit Plan

The Company maintains an employee savings plan for United States employees under the Internal Revenue Code section 401(k). Employees are eligible to participate in the plan after three complete calendar months of service and all contributions are immediately vested. Employees' contributions are discretionary to a maximum of 90% of compensation. For all plan members, the Company contributes 30% of the eligible employees' contributions on the first 60% of the participants' compensation to the IRS maximum annual contribution.

Litigation, Claims and Contingencies

In the ordinary course of our business, we are party to various legal actions, which we believe are incidental to the operation of our business. The outcome of such legal actions and the timing of ultimate resolution are inherently difficult to predict. In the opinion of management, based upon information currently available to us, any resulting liability, would not have a material adverse effect on the Company's financial position, cash flows, or operations.

SGI IRS and State Tax Audits

SGI is currently in appeals with the IRS for the years ended June 30, 2008 through 2013 and in examination with other taxing jurisdictions on certain tax matters, including challenges to certain positions the Former Parent has taken. The Former Parent is unable to determine the outcome of these audits at this time. With few exceptions, either prior federal, state or local examinations have been completed by the tax authorities or the statute of limitations have expired for U.S. federal, state and local income tax returns filed by the Former Parent for the years through 2003.

14. STOCKHOLDERS’ EQUITY

Effectiveness of Registration Statement and Distribution of Shares

A-Mark filed with the Securities and Exchange Commission a registration statement on Form S-1 relating to the Distribution by SGI to its shareholders of all the shares of common stock of the Company. The registration statement was declared effective by the SEC on February 11, 2014.

The spinoff of the Company from SGI was effected on March 14, 2014 and an aggregate of 7,402,664 shares of A-Mark's common stock were distributed to SGI stockholders. On March 17, 2014, A-Mark's shares began trading on the NASDAQ Global Select Market under the symbol "AMRK". All share and per share information has been retrospectively adjusted to give effect for the Distribution.

Subsequent to the Distribution, SGI informed the Company that an aggregate of 71,922 shares of A-Mark's common stock should not have been distributed because the SGI shares with respect to which those shares were distributed had been incorrectly classified as outstanding. Accordingly, effective as of March 14, 2014, those 71,922 shares were canceled and returned to the status of authorized but unissued stock.

Table of Contents

Repurchase of Common Shares

On June 4, 2014, A-Mark entered into an amendment (“Amendment No. 1”) to the Purchase Agreement (as amended, the “Purchase Agreement”) dated February 26, 2014 with Afinsa, Auctenia and SGI pursuant to which, among other things, SGI agreed to purchase all shares of SGI’s common stock held by Afinsa and Auctentia and Afinsa and Auctentia agreed to sell to A-Mark any shares of common stock of A-Mark received by Afinsa and Auctentia in SGI’s spinoff of A-Mark, which was effected on March 14, 2014. As previously disclosed, the first closing under the Purchase Agreement occurred on February 26, 2014.

Pursuant to Amendment No. 1, also on June 4, 2014, A-Mark purchased 5,520 shares of A-Mark common stock from Afinsa and 373,513 shares of A-Mark common stock from Auctentia for an aggregate purchase price of $2.2 million plus interest in the amount of $0.02 million calculated from February 26, 2014 at the rate of 4% per annum. Afinsa and Auctentia no longer hold any shares of A-Mark common stock.

Shares of A-Mark common stock purchased under the Purchase Agreement have been returned to the status of authorized but unissued shares.

Payment of Dividends to Former Parent

On July 1, 2013, the Board of Directors of the Company declared a $5.0 million dividend to SGI, which was paid on July 5, 2013. On February 12, 2014, the Board of Directors of the Company declared a dividend to SGI in the aggregate amount of $5.0 million, which was paid on February 26, 2014.

Payment of Dividends After Spinoff

In fiscal 2015, the Board of Directors of the Company initiated a cash dividend policy that calls for the payment of a quarterly cash dividend of $0.05 per common share. On February 6, 2015, the Board of Directors declared a quarterly cash dividend of $0.05 per common share that was paid on March 20, 2015 to stockholders of record at the close of business on March 12, 2015. On May 1, 2015, the Board of Directors declared a quarterly cash dividend of $0.05 per common share that was paid on May 25, 2015 to stockholders of record at the close of business on May 14, 2015. On September 11, 2015, the Board of Directors of the Company declared a quarterly cash dividend of $0.05 per common share to stockholders of record at the close of business on September 24, 2015, which is scheduled to be paid on October 5, 2015.

2014 Stock Award and Incentive Plan

Prior to the Distribution, the Company’s Board of Directors ("Board") adopted and the Company's then sole stockholder approved the 2014 Stock Award and Incentive Plan ("2014 Plan"). Under the 2014 Plan, the Company may grant options and other equity awards as a means of attracting and retaining officers, employees, non-employee directors and consultants, to provide incentives to such persons, and to align the interests of such persons with the interests of stockholders by providing compensation based on the value of the Company's stock. Awards under the 2014 Plan may be granted in the form of incentive or non-qualified stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, dividend equivalent rights and other stock-based awards (which may include outright grants of shares). The 2014 Plan also authorizes grants of performance-based cash incentive awards. The 2014 Plan is administered by the Compensation Committee of the Board of Directors, which, in its discretion, may select officers and other employees, directors (including non-employee directors) and consultants to the Company and its subsidiaries to receive grants of awards. The Board of Directors itself may perform any of the functions of the Compensation Committee under the 2014 Plan.

Under the 2014 Plan, the exercise price of options and base price of SARs may be set at the discretion of the Committee, but generally may not be less than the fair market value of the shares on the date of grant, and the maximum term of stock options and SARs is 10 years. The 2014 Plan limits the number of share-denominated awards that may be granted to any one eligible person to 250,000 shares in any fiscal year. Also, in the case of non-employee directors, the 2014 Plan limits the maximum grant-date fair value at $300,000 of stock-denominated awards granted to a director in a given fiscal year, except for a non-employee Chairman of the Board whose grant-date fair value maximum is $600,000 per fiscal year. The 2014 Plan will terminate when no shares remain available for issuance and no awards remain outstanding; however, the authority to grant new awards will terminate on December 13, 2022.

As of June 30, 2015, 622,000 shares were available for grant under the 2014 Plan.

Equity Awards Assumed in Connection with the Spinoff

Prior to the Distribution Date, the SGI Board of Directors and the Compensation Committee of the SGI Board of Directors, and the Board of Directors of A-Mark, had taken action to provide that the holders of share-based awards, outstanding as of March 14, 2014, denominated in and settleable by delivery of shares of SGI common stock, would have their SGI share-based awards canceled upon the effectiveness of the Distribution, and in place of the canceled awards would become entitled to receive share-based awards denominated in and settleable by delivery of shares of the Company's common stock. The exchange ratio was based on the average closing market price of SGI’s common stock in the final three trading days on which SGI common stock traded before trading ex-dividend with respect to the Distribution, and the average closing market price of A-Mark’s common stock on its first three trading days in the NASDAQ Global Select Market (the "Exchange Ratio"). This resulted in an Exchange Ratio of 0.2397, based on an average closing price for SGI shares of $3.32 and an average closing price for A-Mark shares of $13.85. (For reference, the closing SGI price per share on March 14, 2014 was $3.37 per share and the closing A-Mark price per share on March 17, 2014 was $13.30 and on March 19, 2014 was $14.00.)

Accordingly, to provide for the equitable treatment of holders of then outstanding SGI equity awards in connection with the spinoff, the Company modified (reduced) the number of shares underlying each affected SGI award in the form of stock options, stock appreciation rights ("SARs") or restricted stock units ("RSUs") by a factor of 0.2397 to one (with the number of shares rounded up to the next whole share for the entire award, with rounding up of previously vested tranches first and rounding down (where necessary) of later vested tranches). For stock options and SARs, the Company modified (increased) the holders' award exercise price or base price by a factor 4.1717 to one (the inverse of the Exchange Ratio), with per share exercise prices or base prices then rounded up to the next whole cent. These actions were taken pursuant to the anti-dilution assumption and adjustments approved by SGI and A-Mark. As a result, the Company granted, on March 19, 2014 (the date as of which the exchange ratio became determinable based on the average closing market price of A-Mark common stock), 130,646 RSUs, 8,990 SARs and options to purchase 249,846 shares of common stock. These awards are deemed to be granted under the original plans and arrangements of SGI that have been assumed by the Company, not under the 2014 Plan. However, the Company has not assumed those SGI plans and arrangements insofar as they authorize future grants of share-based compensation (as distinguished from the grants of replacement awards described above).

The cancelation and reissuance of share-based awards are accounted for as modifications in accordance with ASC 718, Compensation-Stock Compensation. The Company compared the fair value of each award immediately before and after modification and determined that the modification did not create any incremental compensation costs. Accordingly, there were no changes to the compensation costs of these awards, as determined using the Black-Scholes fair value model for stock options and SARs, and the common stock value for RSUs, on the original grant dates of each award.

Of the 249,846 stock options, 130,646 RSUs and 8,990 SARs issued in connection with the spinoff, 216,943 stock options, 50,340 RSUs and 8,990 SARs were issued to employees of the Company and the remainder were issued to employees of SGI. After the spinoff, the Company will recognize remaining compensation costs related to awards held by employees of the Company, including SGI employees who transferred to the Company in conjunction with the spinoff, over the remaining service period for each award. The Company does not recognize compensation cost for financial reporting purposes relating to the awards replaced by A-Mark following the Distribution which were held by persons who remained employees of SGI.

From June 30, 2015, the Company will recognize compensation expense of $0.4 million, $0.1 million and $0.0 million, related to stock-options, RSUs and SARs, respectively, over weighted average periods 2.3 years, 0.8 years and 0.0 years respectively. The Company will not recognize compensation costs for awards held by employees of SGI, as they are not providing any services to the Company.

Valuation and Significant Assumptions of Equity Awards Issued After Spinoff

The Company uses Black-Scholes option pricing model, which has various inputs such as the estimated common share price, the risk-free interest rate, volatility, expected life and dividend yield, all of which are estimates. The Company also records share-based compensation expense net of expected forfeitures. Valuation models and significant assumptions for share-based compensation are as follows:

- Determining Fair Values. For all equity grants granted, the primary factor in the valuation of equity awards was the fair value of the underlying common stock at the time of grant.
- Expected Volatility. The Company has limited data regarding company-specific historical or implied volatility of its share price. Consequently, the Company estimates its volatility based on the average of the historical volatilities of peer group companies from publicly available data for sequential periods approximately equal to the expected terms of its option grants. Management considers factors such as stage of life cycle, competitors, size, market capitalization and financial leverage in the selection of similar entities.
-

Expected Term. The expected term represents the period of time in which the options granted are expected to be outstanding. The Company estimates the expected term of options granted based on the midpoint between the vesting date and the end of the contractual term under the “short-cut” or simplified method permitted by the SEC implementation guidance for “plain vanilla” options. The Company will continue to use the short-cut method, as permitted, until we have developed sufficient historical data for employee exercise and post-vesting employment termination behavior after our common stock has been publicly traded for a reasonable period of time.

- Forfeitures. The Company estimates forfeitures at the time of grant and revises those estimates in subsequent periods if actual experience differs from those estimates. For the year ended June 30, 2015, the Company estimated an average overall forfeiture rate of 0%, based on the historical forfeitures rates of executives on our Former Parent prior to the spinoff transaction. Share-based compensation is recorded net of expected forfeitures. The Company will periodically assess the forfeiture rate and the amount of expense recognized based on estimated historical forfeitures as compared to actual forfeitures. Changes in estimates are recorded in the period they are identified.

Table of Contents

- Risk-Free Rate. The risk-free interest rate is selected based upon the implied yields in effect at the time of the option grant on U.S. Treasury zero-coupon issues with a term approximately equal to the expected life of the option being valued.
- Dividends. The Company anticipates on paying quarterly cash dividends 5% of outstanding shares of common stock in the foreseeable future. For the year ended June 30, 2015, the Company used an expected dividend yield rate of 0.5%.

The weighted-averages for key assumptions used in determining the fair value of options granted during the year ended June 30, 2015 follows:

Average volatility	33.44	%
Risk-free interest rate	1.47	%
Weighted-average expected life in years	6.43	
Dividend yield rate	0.5	%

There are no awards with performance conditions nor awards with market conditions.

Employee Stock Options

Our Former Parent had granted employee stock options to certain members of management, key employees, and directors, including to A-Mark personnel, that were denominated in and settleable by delivery of shares of SGI common stock. Effective with the Distribution, the SGI share-based awards were canceled and in place of the canceled awards the holders of the awards were entitled to receive share-based awards denominated in and settable by delivery of shares of the Company's stock.

During the years ended June 30, 2015 and 2014, the Company incurred compensation expense related to stock options granted to the Company's employees (including SGI employees who transferred to the Company in conjunction with the spinoff) that were settleable in shares of SGI common stock (prior to the date of Distribution) and settleable in shares of Company's common stock (subsequent to the date of Distribution and award modification) as set forth below.

in thousands		
Years Ended June 30,	2015	2014
Stock option based Compensation Cost related to Shares Settleable in:		
SGI common stock	$—	$—
A-Mark common stock	153.9	60.7
Total stock option based compensation costs	$153.9	$60.7

As of June 30, 2015, there was total remaining compensation expense of $0.4 million related to employee stock options, which will be recorded over a weighted average period of approximately 2.3 years.

The following table summarizes the stock option activity for the year ended June 30, 2015.

	Options	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value (in thousands)	Weighted Average Grant Date Fair Value Per Award (1)
Outstanding at June 30, 2014	230,787	$10.00	$407	$5.98
Granted through stock option plan	3,000	10.08		
Exercised	—	—		
Cancellations, expirations and forfeitures	(660)	48.02		
Outstanding at June 30, 2015	233,127	9.89	$283	$5.96
Shares exercisable at June 30, 2015	158,213	10.60	$128	$5.87

(1) For awards held by A-Mark employees, the fair value of the awards assumed in Distribution was based on the awards' fair value at grant date, which were determined by SGI prior to the Distribution. Since the Company does not recognize compensation costs for the awards assumed in the Distribution held by employees of SGI,

the calculation of the weighted average fair value per share price at grant date was solely based on the awards' fair value at grant date that were awarded to employees of A-Mark.

Table of Contents

Following is a summary of the status of stock options outstanding at June 30, 2015:

Exercise Price Ranges		Options Outstanding			Options Exercisable		
From	To	Number of Shares Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Shares Exercisable	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
$—	$10.00	134,239	7.36	$8.39	62,325	7.39	$8.44
10.01	15.00	98,888	7.29	11.94	95,888	7.21	12.00
		233,127	7.33	9.89	158,213	7.28	10.60

The following table summarizes the stock option activity for the year ended June 30, 2014.

	Options	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value (in thousands)	Weighted Average Grant Date Fair Value Per Award (1)
Outstanding at June 30, 2013	—	$—	$—	$—
Granted through stock option plan	—	—		
Stock options issued in spinoff	249,846	13.75		
Exercised	—	—		
Cancellations, expirations and forfeitures	(19,059)	59.10		
Outstanding at June 30, 2014	230,787	10.00	$407	$5.98
Shares exercisable at June 30, 2014	134,902	11.18	$137	$5.77

(1) For awards held by A-Mark employees, the fair value of the awards assumed in Distribution was based on the awards' fair value at grant date, which were determined by SGI prior to the Distribution. Since, the Company does not recognize compensation costs for the awards assumed in the Distribution held by employees of SGI, the calculation of the weighted average fair value per share price at grant date was solely based on the awards' fair value at grant date that were awarded to employees of A-Mark.

Restricted Stock Units

During the years ended June 30, 2015 and 2014, the Company incurred compensation expense related to RSUs granted to the Company's employees (including SGI employees who transferred to the Company in conjunction with the spinoff) that were settleable in shares of SGI common stock (prior to the date of Distribution) and settleable in shares of Company's common stock (subsequent to the date of Distribution and award modification) as set forth below.

in thousands		
Years Ended June 30,	2015	2014
RSUs-based Compensation Cost related to Share Settleable in:		
SGI common stock	$—	$98.2
A-Mark common stock	99.5	34.9
Total RSUs based compensation costs	$99.5	$133.1

The remaining compensation expense that will be recorded under restricted stock grants totals $0.1 million, which will be recorded over a weighted average period of approximately 0.8 years.

Table of Contents

The following table summarizes the RSU activity for the year ended June 30, 2015:

	Shares	Weighted Average Share Price at Grant Date (1)
Outstanding at June 30, 2014	106,674	$2.72
Shares granted	—	—
Shares released	(10,806)	4.31
Shares surrendered to cover employee minimum withholding taxes	(9,570)	4.31
Shares forfeited	—	—
Outstanding at June 30, 2015	86,298	$2.34
Vested but unissued at June 30, 2015	—	$—

(1) For awards held by A-Mark employees, the fair value of the awards assumed in Distribution was based on the awards' fair value at grant date, which were determined by SGI prior to the Distribution. Since, the Company does not recognize compensation costs for the awards assumed in the Distribution held by employees of SGI, the calculation of the weighted average share price at grant date was solely based on the awards' fair value at grant date that were awarded to employees of A-Mark.

The following table summarizes the RSU activity for the year ended June 30, 2014:

	Shares	Weighted Average Share Price at Grant Date (1)
Outstanding at June 30, 2013	—	$—
Shares granted	—	—
Shares issued in spinoff	130,646	2.22
Shares released	(11,033)	—
Shares surrendered to cover employee minimum withholding taxes	(4,549)	—
Shares forfeited	(8,390)	—
Outstanding at June 30, 2014	106,674	$2.72
Vested but unissued at June 30, 2014	—	$—

(1) For awards held by A-Mark employees, the fair value of the awards assumed in Distribution was based on the awards' fair value at grant date, which were determined by SGI prior to the Distribution. Since, the Company does not recognize compensation costs for the awards assumed in the Distribution held by employees of SGI, the calculation of the weighted average share price at grant date was solely based on the awards' fair value at grant date that were awarded to employees of A-Mark.

During fiscal years 2015 and 2014, certain RSUs of SGI and A-Mark employees that vested were net share-settled to cover the Company's minimum withholding tax obligation and the remaining amounts were converted into an equivalent number of shares of the Company's common stock. The Company withheld shares with value equivalent to the employer's minimum statutory obligation for the applicable income and other employment taxes, and remitted payment to SGI, the related-party entity obligated to remit the withholding taxes to the appropriate taxing authorities. The total shares withheld for fiscal years 2015 and 2014, were 9,570 and 4,549 RSUs respectively, which was based on the value of the RSUs on their vesting date as determined by the Company's closing stock price. Total payments for the employees' tax obligations to the taxing authorities during fiscal years 2015 and 2014 were approximately $100,000 and $53,000, respectively. These net-share settlements had the effect of share repurchases by the Company as they reduced and retired the number of shares that would have otherwise have been issued as a result of the vesting and did not represent an expense to the Company.

Tax benefit recognized for year ended June 30, 2015 was equal to the amount of vested shares included in the employees' Forms W-2. No tax benefit was recognized in the consolidated statements of income related to share-based compensation for the year ended June 30, 2014. No share-based compensation was capitalized for the years ended June 30, 2015 and 2014.

Stock Appreciation Rights

The Company, from time to time, may grant SARs to certain key employees and executive officers. The number of shares to be received under these awards ultimately depends on the appreciation in the Company's common stock over a specified period of time, generally 3.0 years. At the end of the stated appreciation period, the number of shares of common stock issued will be equal in value to the appreciation in the shares of the Company’s common stock, as measured from the stock's closing price on the date of grant to the average price in the last month of the third year of vesting. As of June 30, 2015, the Company had issued and outstanding 8,990 SARs with an average base price of $50.31, in connection with the spinoff. At June 30, 2015 and June 30, 2014, there was no intrinsic value associated with these arrangements. The Company did not recognize any compensation expense related to these awards during the years ended June 30, 2015 and 2014. There is no remaining compensation expense that will be recorded for these awards.

Certain Anti-Takeover Provisions

The Company’s Certificate of Incorporation and by-laws 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 its Board. 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 provide for a Board with staggered terms, allow the Company to issue preferred stock with rights senior to those of the common stock, or impose various procedural and other requirements which could make it more difficult for stockholders to effect certain corporate actions.

15. CUSTOMER AND SUPPLIER CONCENTRATION

Customer Concentration

Customers providing 10 percent or more of the Company's revenues for the years ended June 30, 2015 and 2014 are listed below:

in thousands

Years Ended June 30,	2015		2014	
	Amount	Percent	Amount	Percent
Total revenue	$6,070,234	100.0 %	$5,979,354	100.0 %
Customer concentrations				
HSBC Bank USA	$1,877,943	30.9 %	$1,547,631	25.9 %
Total	$1,877,943	30.9 %	$1,547,631	25.9 %

Customers providing 10 percent or more of the Company's accounts receivable, excluding $49.3 million and $41.3 million of secured loans and $11.4 million and $22.2 million of derivative assets, as of June 30, 2015 and June 30, 2014, respectively, are listed below:

in thousands

June 30,	2015		2014	
	Amount	Percent	Amount	Percent
Total accounts receivable, net (excluding secured loans and derivative assets)	$30,055	100.0 %	$39,409	100.0 %
Customer concentrations				
United States Mint	$9,781	32.5 %	$—	— %
Total	$9,781	32.5 %	$—	— %

Table of Contents

No single customer provided 10 percent or more of the Company's secured loans as of June 30, 2015

June 30,	2015			2014		
	Amount	Percent		Amount	Percent	
Total secured loans	$49,316	100.0	%	$41,261	100.0	%
Customer concentrations						
Customer A	4,900	9.9		4,200	10.2	
Total	$4,900	9.9	%	$4,200	10.2	%

The loss of any of the above customers could have a material adverse effect on the operations of the Company.

Supplier Concentration

A-Mark buys precious metals from a variety of sources, including through brokers and dealers, from sovereign and private mints, from refiners and directly from customers. The Company believes that no one or small group of suppliers is critical to its business, since other sources of supply are available that provide similar products on comparable terms.

16. GEOGRAPHIC INFORMATION

Revenue are attributed to geographic location based on customer location. The Company's geographic operations are as follows:

in thousands

Years Ended June 30,	2015	2014
Revenue by geographic region:		
United States	$5,406,201	$5,170,788
Europe	320,167	385,221
North America, excluding United States	282,978	353,670
Asia Pacific	47,593	59,264
Africa	52	57
Australia	13,241	9,598
South America	2	756
Total revenue	$6,070,234	$5,979,354

in thousands

June 30,	2015	2014
Inventories by geographic region:		
United States	$173,939	$159,145
Europe	4,374	10,500
North America, excluding United States	12,287	4,091
Asia	901	1,818
Total inventories	$191,501	$175,554

Table of Contents

in thousands		
June 30,	2015	2014
Assets by geographic region:		
United States	$302,046	$285,092
Europe	10,668	14,137
North America, excluding United States	12,287	4,091
Asia	901	1,818
Total assets	$325,902	$305,138

in thousands		
June 30,	2015	2014
Long term assets by segment/geographic region:		
United States	$13,204	$9,726
Europe	72	89
Total long-term assets	$13,276	$9,815

17. SUBSEQUENT EVENTS

Lines of Credit

Effective July 8, 2015, at the request of the Company, one of six institutional participants in the Company's Trading Credit Facility terminated its credit demand line of $40.0 million. Effective July 10, 2015, the Company obtained a permanent increase in its demand Trading Credit Facility through an increase of the credit demand line of one of five remaining institutional participants from $35.0 million to $45.0 million. Effective September 11, 2015, the Company obtained a permanent increase in its demand Trading Credit Facility through an increase of the credit demand line of another institutional participant from $35.0 million to $40.0 million. As a result, the aggregate line available to the Company under the facility at September 24, 2015 is $205.0 million.

Secured Loans to Related Parties

On July 23, 2015, CFC, a wholly owned subsidiary, entered into a loan agreement with Stack's Bowers Numismatics, LLC, a related party, providing a secured line of credit in the maximum principal amount of up to $2.5 million, bearing interest at a competitive rate per annum. The amount of the initial draw was $1.8 million, which has subsequently been partially repaid. The loan is secured by numismatic and semi-numismatic products.

Operating Lease

On August 28, 2015, Logistics entered into an amendment to its lease agreement with the landlord of the Nevada facility to expand the leased premises by an additional approximately 3,600 square feet at an additional cost of $1.50 per each square foot per month, resulting in total leased premises of approximately 17,600 square feet.

Dividend Declaration

On September 11, 2015, the Board of Directors of the Company declared a quarterly cash dividend of $0.05 per common share to stockholders of record at the close of business on September 24, 2015, which is scheduled to be paid on October 5, 2015.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

BDO USA, LLP ("BDO") was previously the principal accountants for A-Mark. On May 18, 2015, BDO resigned as the principal accountants for A-Mark. BDO had served as the principal accountant for A-Mark for the fiscal year ended June 30, 2014 and for the interim periods from July 1, 2014 through May 18, 2015. During the fiscal year ended June 30, 2014, and the interim periods from July 1, 2014 through May 18, 2015, there were no: (1) disagreements with BDO on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement, or (2) reportable events (as defined in Item 304(a)(1) of Regulation S-K). The audit report of BDO on the consolidated financial statements of A-Mark Precious Metals, Inc. and subsidiaries as of and for the year ended June 30, 2014, did not contain any adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles.

On June 12, 2015, Grant Thornton LLP ("Grant Thornton") was engaged as the principal accountants for A-Mark. During the fiscal years ended June 30, 2014 and June 30, 2013 and the subsequent interim periods through June 12, 2015, Grant Thornton

Table of Contents

was not consulted as to the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on A-Mark's financial statements.

The decision to select Grant Thornton as our accountants was approved by the Audit Committee of A-Mark.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Accounting Officer, which position constitutes our principal financial officer within the meaning of SEC regulations (together, the “Certifying Officers”), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on the foregoing, our Certifying Officers concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Annual Report.

Disclosure controls and procedures are controls and other procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Certifying Officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Management assessed the design and effectiveness of the Company’s internal control over financial reporting as of June 30, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control-Integrated Framework (2013 framework). Based on this evaluation, management concluded that our internal control over financial reporting was effective as of June 30, 2015 based on criteria in Internal Control -Integrated Framework issued by the COSO.

As required under this Item 9A, the management's report titled “Management's Assessment of Control over Financial Reporting” is set forth in “Item 8 - Consolidated Financial Statements and Supplementary Data” and is incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

Table of Contents

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Set forth below is information regarding the directors and executive officers of the Company as of September __, 2015.

Name	Age	Position(s)
Gregory N. Roberts	53	Chief Executive Officer and Director
David W. G. Madge	55	President
Thor G. Gjerdrum	48	Executive Vice President and Chief Operating Officer
Gianluca Marzola	48	Chief Accounting Officer
Carol Meltzer	57	Executive Vice President, General Counsel and Secretary
Jeffrey D. Benjamin	54	Chairman of the Board and Director
Joel R. Anderson	72	Director
Ellis Landau	71	Director
Beverely Lepine	63	Director
William Montgomery	55	Director
John U. Moorhead	63	Director
Jess M. Ravich	58	Director

GREGORY N. ROBERTS: Chief Executive Officer and Director

Mr. Roberts has been Chief Executive Officer and a Director of A-Mark since July 2005. Mr. Roberts has served as President and Chief Executive Officer of SGI since March 2008. Mr. Roberts previously served as the President of SGI's North American coin division, which included A-Mark. He is also a lifetime member of the American Numismatic Association. Through his day-to-day involvement in all aspects of the Company's operations, Mr. Roberts provides a vital link between junior and senior management personnel and the general oversight and policy-setting responsibilities of the Board. Mr. Roberts is a director of SGI (serving as such since 2000). Mr. Roberts also serves as Chief Executive Officer of SGI under the Secondment Agreement between A-Mark and SGI.

Mr. Roberts brings to the Board expertise in numismatics and trading, extensive knowledge of the precious metals industry and, in his role as Chief Executive Officer, in-depth knowledge of the Company and its business.

DAVID W. G. MADGE: President

Mr. Madge has been President of A-Mark since September 2011. Prior to that, Mr. Madge held various positions with the Royal Canadian Mint (RCM), a Commercial Crown Corporation of the Government of Canada, since 1995, most recently serving as Executive Director of the Bullion and Refinery Business Services, which included the refinery plant operations. Mr. Madge previously served as Director of Bullion & Refinery Services for RCM, where he was responsible for global sales and marketing activities. Mr. Madge received a Bachelor of Science degree in 1983 and a Bachelor of Arts degree in 1987, each from the University of Waterloo (Ontario, Canada.)

THOR G. GJERDRUM: Executive Vice President and Chief Operating Officer

Mr. Gjerdrum has served as A-Mark's Executive Vice President and Chief Operating Officer since July 1, 2013 and as our Chief Financial Officer and Executive Vice President from 2002 to May 2008 and from May 2010 to June 30, 2013. Mr. Gjerdrum was Chief Financial Officer and Executive Vice President of SGI from June 2008 to April 2010. Previously, Mr. Gjerdrum held a variety of positions with two publicly traded telecommunications companies, the last of which was as Vice President of Finance, and worked in public accounting. Mr. Gjerdrum received a Bachelor of Science degree in accounting from Santa Clara University.

GIANLUCA MARZOLA: Chief Accounting Officer

Mr. Marzola has served as A-Mark's Chief Accounting Officer since July 1, 2013. Mr. Marzola joined A-Mark on September 2002 and held various accounting positions of increasing responsibility. He served as Controller from July 2008 to June 2013. Mr. Marzola received a B.S. in business/accounting from Universita'di Bologna, Italy.

Table of Contents

CAROL MELTZER: Executive Vice President, General Counsel and Secretary
Ms. Meltzer has served as our General Counsel, Secretary and Executive Vice President since March 2014, assuming those offices at the time of the spinoff. She served as General Counsel, Secretary and Executive Vice President of SGI and its predecessor companies since 2006, and served in a variety of legal capacities for SGI since 1996. Ms. Meltzer previously practiced law at Stroock & Stroock & Lavan LLP and Kramer Levin Naftalis & Frankel LLP. Ms. Meltzer received B.A. and J.D. degrees from the University of Michigan, Ann Arbor. Ms. Meltzer also serves as General Counsel and Executive Vice President of SGI under the Secondment Agreement between A-Mark and SGI and serves as a director of SGI.
JEFFREY D. BENJAMIN: Chairman of the Board and Director
Mr. Benjamin has served as Chairman of the Board and a Director since March 2014. Mr. Benjamin has been a Senior Advisor to Cyrus Capital Partners, L.P. since 2008, where he assists with distressed investments. Mr. Benjamin also serves as a consultant to Apollo Management, L.P., a private investment fund, and from September 2002 to June 2008, Mr. Benjamin served as a senior advisor to Apollo Management, where he was responsible for a variety of investments in private equity, high yield and distressed securities. Mr. Benjamin served as non-Executive Chairman of the Board of SGI from 2012 until March 2014 and as a director of SGI from 2009 until March 2014. He is also a member of the boards of directors of American Airlines Group, Inc., Caesars Entertainment Corporation, Exco Resources, Inc. and Chemtura Corporation. Mr. Benjamin is a trustee of the American Numismatic Society and has had a long-standing personal interest in coin collecting. Mr. Benjamin holds an MBA from the Sloan School of Management at M.I.T. and a BA from Tufts University.
With his financial and business background and service as a public company director, including service with SGI at times A-Mark was a subsidiary, and his personal involvement in numismatics, Mr. Benjamin contributes to the Board in matters of corporate finance, governance, business development and industry strategy.
JOEL R. ANDERSON: Director
Mr. Anderson has served as a Director since March 2014. Mr. Anderson is the Chairman and Director of Anderson Media Corporation, the country’s largest distributor and merchandiser of pre-recorded music and a major distributor of books, and is also the chairman and a director of various affiliated companies, including TNT Fireworks, the country’s largest importer and distributor of consumer fireworks; Anderson Press, a major publisher of children’s books and associated children’s product; and Whitman Publishing Company, the leading publisher of books and related products for coin collections. Mr. Anderson has served as chairman and in other positions with Anderson Media Corporation for more than five years. He is a principal of Stack's LLC, SGI’s joint venture partner in Stack’s Bowers Galleries, a rare coin and currency auction house. Mr. Anderson served as a director of SGI from 2012 through March 2014. Mr. Anderson has been a member of the Board of Trustees of the American Numismatic Society since 2006 and serves on its nominating and governance committee. He is also a lifetime member of the American Numismatic Association. Mr. Anderson studied at the University of North Alabama.
Mr. Anderson’s extensive business experience, combined with his personal interest and expertise in numismatics, provide the Board with insight and guidance in matters of business planning and growth strategy.
ELLIS LANDAU: Director
Mr. Landau has served as a Director since March 2014, and serves as Chairman of the Audit Committee and a member of the Compensation Committee. Mr. Landau is President, Treasurer and Director of ALST Casino Holdco, LLC, the holding company of Aliante Gaming, LLC, which owns and operates Aliante Casino + Hotel in Las Vegas, Nevada. In 2006, Mr. Landau retired as Executive Vice President and Chief Financial Officer of Boyd Gaming Corporation (NYSE: BYD), a position he held since he joined the company in 1990. Mr. Landau previously worked for Ramada Inc., later known as Aztar Corporation, where he served as Vice President and Treasurer, as well as U-Haul International in Phoenix and the Securities and Exchange Commission in Washington, D.C. Mr. Landau served as a director of SGI from 2012 until March 2014. From 2007 to 2011, Mr. Landau was a member of the Board of Directors of Pinnacle Entertainment, Inc. (NYSE:PNK), a leading gaming company, where he served as chairman of the audit committee and as a member of its nominating and governance committee and its compliance committee. Mr. Landau received his Bachelor of Arts in economics from Brandeis University and his M.B.A. in finance from Columbia University Business School.

Mr. Landau brings to the Board substantial finance, accounting and corporate governance experience, including the experience and ability to serve as the Chairman of the Audit Committee.

BEVERLEY LEPINE: Director

Ms. Lepine has served a Director since February 2015, and serves as a member of the Audit Committee. Ms. Lepine retired as Chief Operating Officer from the Royal Canadian Mint, a Canadian Federal Crown Corporation, after 27 years in various positions, including Chief Financial Officer and Vice President of Manufacturing. Prior to joining the Royal Canadian Mint, Ms. Lepine worked from 1980 until1987 for the Treasury Board Secretariat of the Government of Canada and Via Rail Canada. Upon

Table of Contents

graduating with a Bachelor's degree in Business Administration from Bishop's University in 1974, Ms. Lepine worked for Clarkson Gordon from 1974 until1980 where she obtained her Chartered Public Accountant (CPA) designation in 1978. She obtained her Institute of Corporate Directors Certificate (ICD.D) in 2011. Ms. Lepine was Chair of the Board of Bruyere Continuing Care, a chronic continuing care hospital in Ottawa from 2008-2010 and is currently Treasurer and member of the Board of the Pallium Foundation.

Ms. Lepine's extensive knowledge of the worldwide minting and coinage industries provide the Board with insight and guidance in matters of business planning and growth strategy. She also brings a strong background in finance and accounting to bear as a member of the Audit Committee and as a director.

WILLIAM MONTGOMERY: Director

Mr. Montgomery has served as a Director since March 2014. Mr. Montgomery is a private investor with a focus on equities and real estate. He was Executive Vice President in charge of principal investments for Libra Securities from 1999-2000. Previously, he was a Managing Director at Salomon Brothers Inc., where he was a member of the fixed income arbitrage group with responsibility for proprietary investments in high yield securities, a distressed debt trader and a member of the investment banking group. Mr. Montgomery served as a director of SGI from 2012 until March 2014. He is a graduate of the University of Virginia and the Columbia University School of Law.

Mr. Montgomery brings to the Board expertise in investments, finance and capital markets, which the Company believes is particularly important as it seeks to grow its market presence.

JOHN U. (“JAY”) MOORHEAD: Director

Mr. Moorhead has served as a Director since March 2014, and serves as Chairman of our Compensation Committee. He has been a managing director of Ewing Bemiss & Co., an investment banking firm, since 2009. Prior to joining Ewing Bemiss, Mr. Moorhead was a managing director at Westwood Capital from 2005 until 2009 and MillRock Partners from 2003 until 2005, boutique investment banking firms serving private middle market and public growth companies. From 2001 to 2003, Mr. Moorhead was a corporate finance partner at C.E. Unterberg, Towbin. Mr. Moorhead served as a director of SGI from 2012 until March 2014. Mr. Moorhead received his B.A. degree from the University of Vermont, and attended the Program for Management Development at Harvard Business School.

Mr. Moorhead brings to the Board expertise in corporate finance and valuable perspectives on public company growth and global competition. Mr. Moorhead also has experience in the area of executive compensation, which gives him the experience and ability to serve as Chairman of our Compensation Committee.

JESS M. RAVICH: Director

Mr. Ravich has served as a Director since March 2014. Mr. Ravich is group managing director and head of alternative products for The TCW Group, Inc., an international asset-management firm, which he joined in 2012. Prior to joining The TCW Group, Mr. Ravich served as managing director and head of capital markets of Houlihan, Lokey, Howard & Zukin, Inc., an international investment bank. From 1991 through November 2009, Mr. Ravich founded and served as chief executive officer of Libra Securities LLC, an investment banking firm serving the middle market. Prior to founding Libra, Mr. Ravich was an executive vice president of the fixed income department at Jefferies & Company, a Los Angeles-based brokerage firm, and a senior vice president at Drexel Burnham Lambert, where he was also a member of the executive committee of the high yield group. Mr. Ravich served as a director of SGI from 2009 until March 2014. He also serves on the Board of Directors of The Cherokee Group, Inc. (NASDAQ: CHKE). Mr. Ravich is a graduate of the Wharton School at the University of Pennsylvania and Harvard Law School, where he was an editor of the Harvard Law Review.

With his extensive background in investment banking and the financial markets, Mr. Ravich provides Board leadership in matters of strategic development and business initiatives, including potential growth through acquisitions.

Board Structure; Independence

Our Board of Directors currently consists of eight directors.

The Board of Directors has determined that the following directors qualify as independent directors under the rules of The NASDAQ Stock Market and the independence standards set forth in our Corporate Governance Guidelines: Messrs. Anderson, Benjamin, Landau, Montgomery, Moorhead and Ravich, and Ms. Lepine. You can find our Corporate Governance Guidelines on A-Mark's internet website, at www.amark.com (click on "investor relations" at the bottom of that page). The Board of Directors is not classified, so that all director seats will be for election at each annual meeting of our shareholders. There are no family relationships among any of our directors or executive officers.

You can find our corporate governance documents identified below on A-Mark's internet website, at www.amark.com (click on "Investor Relations" at the bottom of the page then click on "Governance Policies").

Table of Contents

Committees of the Board

Our Board has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The duties and responsibilities of the Audit Committee are set forth in its written charter, available on our website, www.amark.com, and include the following:

- to oversee the quality and integrity of our financial statements and our accounting and financial reporting processes;
- to prepare the audit committee report required by the SEC in our annual proxy statements;
- to review and discuss with management and the independent registered public accounting firm our annual and quarterly financial statements;
- to review and discuss with management our earnings press releases;
- to appoint, compensate and oversee our independent registered public accounting firm, and pre-approve all auditing services and non- audit services to be provided to us by our independent registered public accounting firm;
- to review the qualifications, performance and independence of our independent registered public accounting firm; and
- to establish procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

The members of the Audit Committee are Messrs. Landau (Chairman), Montgomery, Moorhead and Ravich, and Ms. Lepine. Each of the members is an independent director, as defined under the rules of The NASDAQ Stock Market and our Corporate Governance Guidelines, and meets the criteria for independence under Rule 10A-3(b)(1) under the Securities and Exchange Act of 1934 and otherwise satisfies the conditions of The NASDAQ Stock Market rules for audit committee membership, including the financial literacy requirements. In addition, Mr. Landau qualifies as an "audit committee financial expert," in compliance with the rules and regulations of the SEC and The NASDAQ Stock Market.

Compensation Committee

The duties and responsibilities of the Compensation Committee are set forth in its written charter, available on our website, www.amark.com, and include the following:

- to determine, or recommend for determination by our board of directors, the compensation of our chief executive officer and other executive officers;
- to establish, review and consider employee compensation policies and procedures;
- to review and approve, or recommend to our board of directors for approval, any employment contracts or similar arrangement between the company and any executive officer of the company;
- to review and discuss with management the Company's compensation policies and practices and management's assessment of whether any risks arising from such policies and practices are reasonably likely to have a material adverse effect on the Company;
- to review, monitor, and make recommendations concerning incentive compensation plans, including the use of stock options and other equity-based plans; and
- to appoint, compensate and oversee any compensation consultant, legal counsel or other advisor retained by the Compensation Committee in its sole discretion;

The members of the Compensation Committee are Messrs. Moorhead (Chairman), Landau and Ravich. Each of the members of the Compensation Committee is an independent director, as defined under the rules of The NASDAQ Stock Market and our Corporate Governance Guidelines, and otherwise satisfies the conditions of The NASDAQ Stock Market rules for compensation committee membership.

Table of Contents

Nominating and Corporate Governance Committee

The duties and responsibilities of the Nominating and Corporate Governance Committee set forth in its written charter, available on our website, www.amark.com, and include the following:

- to recommend to our board of directors proposed nominees for election to the board of directors by the shareholders at annual meetings, including an annual review as to the renominations of incumbents and proposed nominees for election by the board of directors to fill vacancies that occur between shareholder meetings;
- to make recommendations to the board of directors regarding corporate governance matters and practices; and
- to recommend members for each committee of the board of directors.

The members of the Nominating and Governance Committee are Messrs. Ravich (Chairman), Montgomery and Moorhead and Ms. Lepine. Each of the members is an independent director, as defined under the rules of The NASDAQ Stock Market and our Corporate Governance Guidelines.

Code of Ethics

Our board of directors has adopted a Code of Ethics applicable to our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and other senior officers, in accordance with applicable rules and regulations of the SEC and The NASDAQ Stock Market. Our code of ethics is available on our website, www.amark.com.

Corporate Governance Guidelines

Our Board of Directors has adopted our Corporate Governance Guidelines that sets forth our policies and procedures relating to corporate governance effective as of the distribution. Our Corporate Governance Guidelines is available on our website, www.amark.com.

Table of Contents

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The table below sets forth the compensation of the Company's NEOs for fiscal 2015 and 2014. In the case of Mr. Roberts, compensation for the portion of fiscal 2014 prior to the spinoff (July 1, 2013 through March 14, 2014) was paid by SGI for services in executive capacities at SGI.

Summary Compensation Table - Fiscal 2015 and 2014

Name and Principal Position (a)	Year (b)	Salary (1) ($) (c)	Bonus(2) ($) (d)	Stock Awards ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation (3) ($) (g)	All Other Compensation (4) ($) (h)	Total ($) (i)
Gregory Roberts Chief Executive	2015	$525,000	$400,000	$—	$—	$ —	$ 19,776	$944,776
Officer and Director	2014	$525,000	$500,000	$—	$—	$ —	$ 34,661	$1,059,661
David W. G. Madge	2015	$425,000	$700,000	$—	$—	$ —	$ 25,503	$1,150,503
President	2014	$425,000	$225,000	$—	$—	$ —	$ 29,671	$679,671
Thor Gjerdrum Executive Vice	2015	$404,000	$17,040	$—	$—	$ 182,960	$ 2,424	$606,424
President and Chief Operating Officer	2014	$384,000	$46,000	$—	$—	$ 279,000	$ 5,293	$714,293

(1) Fiscal 2015 salary amounts represent salary paid for services performed in the fiscal year. Salary payments received may vary due to the timing of pay periods that start in one fiscal year and end in the next.

(2) In fiscal 2015, each NEO received a discretionary year-end bonus. In addition, Mr. Madge received a "completion bonus" of $450,000 for completion of the term of his employment agreement (November 2011 through June 2015).

(3) Each of the NEOs was granted an award opportunity for fiscal 2015 that constitutes a non-equity incentive plan award. Bonus and non-equity incentive plan compensation for the NEOs are described in greater detail below in “Narrative Discussion of Executive Compensation.”

(4) Amounts in this column, for fiscal 2015, are as follows:
- Mr. Roberts received $4,500 as a car allowance, $2,403 as a 401(k) matching contribution and $12,873 as a cash payment in lieu of vacation time.
- Mr. Madge received $1,935 as a 401(k) matching contribution and $23,568 as a cash payment in lieu of vacation time.
- Mr. Gjerdrum received $2,424 as a 401(k) matching contribution.

Table of Contents

Outstanding Equity Awards At Fiscal Year-End - Fiscal 2015

	Options Awards [1]				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Gregory N. Roberts	23,972	—	10.43	2/15/2023	—	—
	23,972	—	12.52	2/15/2023	—	—
	23,972	—	14.61	2/15/2023	—	—
David W.G. Madge	—	—	—	—	—	—
Thor Gjerdrum	2,997 [2]	—	50.32	7/15/2015	—	—

(1) All options and stock appreciation rights were fully vested and exercisable at June 30, 2015.

(2) This award is a stock appreciation right.

Narrative Discussion of Executive Compensation

In fiscal 2015 and following the spinoff in fiscal 2014, Mr. Roberts was employed by A-Mark and paid all compensation by A-Mark. During that time, under the Secondment Agreement between A-Mark and SGI, Mr. Roberts has provided services to SGI, as the Chief Executive Officer, President and a Director of SGI, for which SGI pays A-Mark. During the portion of fiscal 2014 before the spinoff, Mr. Roberts was employed directly by SGI and paid his compensation by SGI (this compensation is included in the Summary Compensation Table, above). Such SGI-paid compensation was paid for Mr. Roberts' service to A-Mark as Chief Executive Officer and a Director (A-Mark was then a subsidiary of SGI) and also for his service to SGI and its other subsidiaries.

Messrs. Madge and Gjerdrum were employed directly and compensated by A-Mark and its subsidiaries in fiscal 2014 and 2015, other than compensation relating to equity awards granted by SGI as compensation for services to A-Mark and its subsidiaries.

The Compensation Committee's approach to executive compensation has focused on providing total cash compensation at levels sufficient to attract and retain senior-level executives within our industry. Performance-based annual incentive awards, as part of the cash compensation opportunity, are a key element of the compensation of the NEOs, who are most directly responsible for our business results. The Committee has not issued equity awards to NEOs as part of annual compensation since the spinoff. Equity awards granted before the spinoff by SGI were assumed and adjusted to become equity awards of A-Mark. The Committee may consider granting equity-based compensation in the future to act as additional incentive that is aligned with the interests of stockholders and to promote retention of the executive and long-term service. During fiscal 2015, one NEO, Mr. Gjerdrum, realized compensation from equity awards, in the amount of $150,590, the aggregate market value at June 30, 2015 of 14,383 restricted stock units that vested at that date.

We have chosen to formalize significant terms of employment of our NEOs by entering into employment agreements with them. This practice has helped us to attract and retain key executives and employees. In our financial services industry, there is a high degree of competition for talented executives and employees. Hiring often involves substantial negotiations regarding employment terms, which generally must be reflected in an employment agreement.

Employment agreements offer us several advantages, particularly by fixing employment terms for specified time periods and thereby limiting renegotiations and also by including provisions for the protection of our business. Mr. Roberts' employment agreement was entered into on March 14, 2014, providing for an employment term extending until June 30, 2016. Mr. Gjerdrum's employment agreement was entered into on February 28, 2013 and substantially amended on February 28, 2014, providing for an employment term extending until June 30, 2016. Mr. Madge's employment agreement was entered into as of November 1, 2011, and provided for an employment term extending until June 30, 2015 (Mr. Madge's employment has continued after that date).

Under our NEOs' employment agreements, the NEO has the opportunity to earn a performance bonus based on achievement of a pre-specified level of pre-tax profit of A-Mark and, in the case of Mr. Roberts, SGI (included because A-Mark has agreed, under the Secondment Agreement, to provide Mr. Roberts' services to SGI). Such performance bonuses are intended to provide performance-based cash compensation that rewards our NEOs for their contribution to our financial performance. We view pre-

Table of Contents

tax profit as a key financial metric for purposes of our business planning, and one that does not distort the incentives to management or promote undue risk and that substantially reflects the quality of the execution of our business plan by our management team.

For purposes of the employment agreements, "pre-tax profits" is defined as the A-Mark's (or SGI's, where relevant to Mr. Roberts) net income, as determined under Generally Accepted Accounting Principles or GAAP, for the given fiscal year, adjusted to eliminate the positive or negative effects of income taxes (in accordance with GAAP) and, in the case of Mr. Roberts and Mr. Gjerdrum, adjusted to eliminate the positive or negative effects of foreign currency exchange and, in the case of Mr. Roberts, adjusted to eliminate certain expenses incurred in connection with specified litigation affecting SGI and expenses of the spinoff.

The annual incentive formula specified for Mr. Roberts in his employment agreement, for fiscal 2015, was as follows:

If A-Mark and SGI pre-tax profits combined were at least $5 million, then the annual incentive would equal:

- 12% of pre-tax profits up to $8 million of pre-tax profits; plus
- 15% of pre-tax profits in excess of $8 million, up to $10 million of pre-tax profits; plus
- 18% of pre-tax profits in excess of $10 million of pre-tax profits.

If such combined pre-tax profits were less than $5.0 million, the Committee retained discretion to determine whether to pay any performance bonus and the amount thereof, up to a maximum for this discretionary amount of $600,000. In addition, the Committee retained discretion to reduce the amount of any performance bonus payable under the above formula to an amount not less than $3.0 million.

The performance bonus for Mr. Madge specified for fiscal 2015 was as follows:

If A-Mark were to achieve positive pre-tax profits, then the annual incentive would equal:

- 1.0% of pre-tax profits in excess of $18 million, up to $25 million of pre-tax profits; plus
- 3.0% of pre-tax profits in excess of $25 million, up to $30 million of pre-tax profits; plus
- 5.0% of pre-tax profits in excess of $30 million, up to $35 million of pre-tax profits; plus
- 6.0% of pre-tax profits in excess of $35 million of pre-tax profits.

The Committee could award discretionary bonus amounts in excess of the amounts determined under the above formula.

The performance bonus for Mr. Gjerdrum specified for fiscal 2015 was as follows:

If A-Mark has pre-tax profits of at least $5 million, a portion of the performance bonus will equal:

- 2.0% of such pre-tax profits up to $10 million; plus
- 2.5% of such pre-tax profits in excess of $10 million, up to $20 million; plus
- 3.0% of pre-tax profits in excess of $20 million.

The Committee could award discretionary bonus amounts in excess of the amounts determined under the above formula.

For fiscal 2015, the performance bonuses earned by our NEOs under the applicable pre-set performance formula were as follows:

Named Executive Officer	Earned Annual Incentive Fiscal 2015
Gregory N. Roberts	$—
David W.G. Madge	$—

Thor Gjerdrum	$182,960

Table of Contents

A-Mark earned fiscal 2015 pre-tax profits, calculated with the adjustments as described for Mr. Roberts above, of $9.15 million. In the case of Mr. Roberts' annual incentive determination, SGI's performance for fiscal 2015 resulted in a substantial pre-tax loss, offsetting the positive pre-tax profit of A-Mark so that, under the annual incentive formula, no mandatory payout was earned. However, the threshold level of A-Mark pre-tax profits for a discretionary payout was met. In the case of Mr. Madge, A-Mark's pre-tax profit, though positive, failed to achieve the specified threshold for mandatory payout of an annual incentive, although the threshold level for payment of a discretionary bonus was met. In the case of Mr. Gjerdrum, A-Mark's pre-tax profit resulted in the non-equity incentive plan payout shown in the table above. The Committee makes its determinations based on preliminary calculations of financial results, retaining discretion to adjust awards for final financial results.

As in past years, the Committee awarded discretionary bonuses to NEOs for fiscal 2015 in recognition of good performance in areas not fully reflected in pre-tax profits. In determining to award a discretionary bonus, the Committee considered the satisfactory overall performance of each of the NEOs, as well as the fact that pre-specified threshold levels of A-Mark pre-tax profits set as a condition for payment of discretionary bonuses to some of the NEOs had been achieved. The Committee also considered specific achievements including, in the case of Mr. Roberts, the increase in A-Mark's market share in a difficult business environment, the effect of SGI's difficult business environment on the bonus formula and A-Mark's progress in its minority investments in promising businesses and, in the case of Mr. Madge, the increasing contribution to profits from A-Mark's Specialty Products. On that basis, the Committee awarded discretionary bonuses to each of the NEOs, as reflected in the Summary Compensation Table below. The amounts awarded were viewed by the Committee as appropriate based on the level of effort given by the executive team in fiscal 2015, but relatively low in relation to competitive annual incentives so that compensation levels remain aligned with our operating results.

Under his employment agreement, Mr. Madge earned a “completion bonus” of $450,000 based on his continued service to A-Mark through June 30, 2015. This amount is included as fiscal 2015 compensation in the Summary Compensation Table, in the bonus column.

The employment agreements entered into with our NEOs provide for certain payments and benefits in the event of termination of the NEO due to death, total disability, by the employer not for cause or by the NEO for “Good Reason.” In addition, the terms of an NEO’s equity awards may be affected by a termination of employment.

Under the employment agreements, severance payments to the NEO are payable if, during the term of the employment agreement, the NEO’s employment is terminated by us without cause or is terminated by the NEO for “Good Reason.” Severance is payable as follows:

- For Mr. Roberts, a lump-sum amount equal to the greater of 75% of “Annualized Pay,” which is the annual average of salary and performance bonuses paid for the previous three years, but in any event this severance amount will be not less than $1,500,000.
- For Mr. Madge, for a termination before June 30, 2015, a pro rata payment of the Completion Bonus of $450,000 as a lump sum, with pro ration based on the number of months worked from November 2011 divided by the total number of months (44) in his employment term under the employment agreement.
- For Mr. Gjerdrum, continued payments of base salary for one year at the rates specified in the employment agreement.

In addition, the NEOs would be entitled to the following:

- Payment of compensation accrued as of the date of termination, consisting of salary, performance bonus earned in any fiscal year completed before termination but not yet paid, unreimbursed business expenses reimbursable under the employer’s expense policies and payment in lieu of accrued but unused vacation.
- Payment of the pro rata portion of the performance bonus for the fiscal year of termination (based on the portion of the fiscal year worked), payable if and when such bonus would have been paid if employment had continued.

- In the case of Mr. Roberts, continued health benefits paid by the employer for six months.
- In the case of Mr. Gjerdrum, for a termination before June 30, 2015, accelerated vesting of his outstanding RSUs.

Good Reason will arise if the employer materially decreases or fails to pay the NEO’s base salary or performance bonus, or materially changes the NEO’s job description or duties in a way adverse to the NEO, or relocates the NEO’s job site by more than a specified distance without the NEO’s consent, and in each case the employer fails to cure the circumstances after notice from the NEO. Other material breaches of the employment agreement may constitute “Good Reason” in some instances.

Table of Contents

In the event of termination of employment in other circumstances, the termination payments and benefits would be as follows:

- For all terminations, the compensation accrued as of the date of termination (as summarized above) will be paid.

- In the event of termination due to death or total disability,

- Each NEO would receive the pro rata performance bonus for the fiscal year of termination.

- Mr. Roberts would receive the same severance and health benefits payable in the event of a termination by the employer not for cause, except that benefits would be reduced by the amount of any disability or death benefit received under employer plans.

- For a termination before June 30, 2015, Mr. Gjerdrum’s RSUs would have become fully vested.

Under the employment agreements and equity award agreements, the NEO’s rights are not enhanced based upon a change in control of A-Mark. The agreements provide, however, that certain payments under the agreements may be reduced if, following a change in control, the NEO would be subject to the “golden parachute” excise tax and the reduction in payments would result in the NEO realizing a greater after-tax amount.

The employment agreements provide that the NEOs will be entitled to receive medical insurance, group health, disability insurance and other benefits made generally available to employees, with some of the agreements providing assurance that the level of health benefits will not be diminished during the term of the agreement. The employment agreements also provide for indemnification to the NEOs for liabilities arising out of the NEO’s employment. Mr. Roberts’ employment agreement also provides a motor vehicle allowance of $750 per month. The employment agreements obligate the NEOs not to solicit employees to terminate employment with us or to become employees of another entity for one year following a termination for cause.

Compensation of Directors

The board of directors has adopted a policy providing for cash-based compensation of non-employee directors. Director compensation will be reviewed by the board of directors annually and from time to time to ensure that compensation levels are fair and appropriate. Since the spin-off, equity awards have not been granted to directors except for a grant to a new director shortly following her joining the board of directors. In the future, the board of directors may consider granting equity awards as an element of annual non-employee director compensation. All directors are entitled to reimbursement by the Company for reasonable travel to and from meetings of the board of directors, and reasonable food and lodging expenses incurred in connection therewith and other reasonable expenses.

Under the current Director Compensation Policy, annual compensation of each non-employee director is as follows:

(1) Cash retainer -- $60,000 per year;

(2) Cash retainer for service as Chairman of Audit Committee or Chairman of Compensation Committee -- $10,000;

(3) Cash retainer for service as Chairman of Nominating and Governance Committee -- $5,000; and

(4) Cash retainer for service as member (other than Chairman) of Audit Committee or Compensation Committee -- $5,000.

No meeting fees are paid under the current Director Compensation Policy. Service as a member of a committee other than the Audit Committee or Compensation Committee does not result in additional compensation. Directors who are employees of the Company are not paid additional compensation for service as a director.

The Director Compensation Policy assumes service for a full year; directors who serve for less than the full year are entitled to receive a pro-rated portion of the applicable payment. Each “year”, for purposes of the Director

Compensation Policy, will be deemed to begin on the date of our annual meeting of stockholders.
Jeffrey D. Benjamin, the Chairman of the Board, receives no additional cash compensation for service in that capacity under this Policy (he does receive the regular annual retainer for service as a non-employee director, however). After she joined the board of directors in 2015, Beverley Lepine was granted an option to purchase 3,000 shares, at $10.08 per share, vesting ratably over three years, and with a maximum term of ten years. In the event of termination of the director's service due to death, disability, or for any other reason not at the election of the director (excluding a termination for cause), the option will become fully vested and will remain outstanding for not more than two years thereafter. Upon termination of service for any other reason, the unvested

Table of Contents

portion of the option will be forfeited and the vested portion of the option will remain outstanding for not more than 90 days thereafter.

The following table sets forth information regarding compensation earned by non-employee directors of the Company during fiscal 2015.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards[1] ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)
Jeffrey D. Benjamin	$60,000	$—	$—	$—	$60,000
Joel Anderson	$60,000	$—	$—	$—	$60,000
Ellis Landau	$75,000	$—	$—	$—	$75,000
Beverley Lepine	$10,500	$—	$10,890	$—	$21,390
William Montgomery	$65,000	$—	$—	$—	$65,000
John Moorhead	$75,000	$—	$—	$—	$75,000
Jess M. Ravich	$75,000	$—	$—	$—	$75,000

(1) At June 30, 2015, Ms. Lepine and Mr. Benjamin held stock options to purchase A-Mark shares. Ms. Lepine held an option to purchase 3,000 shares, exercisable at $10.08 per share, with no part of the option then vested and exercisable. Mr. Benjamin held an option to purchase 119,856 shares at $8.35 per share, which was vested and exercisable as to 47,943 shares and unvested and unexercisable as to 71,913 shares. This option was granted at the time of the spin-off in fiscal 2014, as a replacement and adjustment of an option to purchase 500,000 SGI shares.

12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following tables provide information with respect to the beneficial ownership of our common stock (our only class of outstanding capital stock) at September 22, 2015 by:

- each of our directors;
- each NEO named in the summary compensation table;
- all of our current directors and executive officers as a group; and
- each of our stockholders who has reported beneficial ownership of more than 5% of the outstanding class of our common stock.

Except as otherwise noted in the footnotes below, each person or entity identified in the tables reported having sole voting power and sole investment or dispositive power with respect to the shares of common stock reflected in the table.

Table of Contents

Beneficial Ownership of Principal Stockholders

Name of Beneficial Owner	Amount of Beneficial Ownership	Percent of Outstanding Common Stock [(1)]	
Joel R. Anderson [(2)]			
Charles C. Anderson	727,016	10.4	%
Harold Anderson			
Jeffrey D. Benjamin [(3)]	813,303	11.5	%
William A. Richardson [(4)]	1,012,728	14.5	%
Gregory N. Roberts [(5)]	944,510	13.4	%

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(1) All percentages have been calculated based on 6,973,549 shares of A-Mark common stock outstanding at September 15, 2015.

(2) Beneficial ownership of Joel R. Anderson, Charles C. Anderson and Harold Anderson is based on their Schedule 13D with the SEC reporting their beneficial ownership of our outstanding common stock, as a group, at March 20, 2014 and additional advice provided to A-Mark by Joel R. Anderson. Based on such information, the group's beneficial ownership of A-Mark common stock totaled 727,016 shares at September 15, 2015. Based on their Schedule 13D information, Joel R. Anderson had beneficial ownership of 304,553 shares, Charles C. Anderson had beneficial ownership of 366,338 shares, and Harold Anderson had beneficial ownership of 56,125 shares. The address of Joel R. and Charles C. Anderson is 202 North Court Street, Florence, Alabama 35630, and the address of Harold Anderson is 3101 Clairmont Road, Suite C, Atlanta, GA 30329.

(3) Beneficial ownership of Jeffrey D. Benjamin is based on his amended Schedule 13D filed with the SEC reporting beneficial ownership of shares of A-Mark common stock at March 21, 2014 and additional advice provided to the Company. His beneficial ownership of A-Mark common stock totaled 789,332 shares, including 71,914 shares issuable to Mr. Benjamin upon exercise of stock options that are currently exercisable or will become exercisable within 60 days. The reported beneficial ownership also includes 250,000 shares held in a family trust as to which Mr. Benjamin neither has nor shares voting or dispositive power, as to which shares he disclaims beneficial ownership. Such beneficial ownership excludes 47,942 stock options that are not currently exercisable and will not become exercisable within 60 days. The address of Mr. Benjamin is 429 Santa Monica Blvd. Suite 230, Santa Monica, CA 90401.

(4) Beneficial ownership of William A. Richardson is based on his amended Schedule 13D filed with the SEC reporting beneficial ownership of A-Mark common stock at March 21, 2014. His beneficial ownership of A-Mark common stock totaled 1,012,728 shares at March 21, 2014, including 778,938 shares owned directly by Silver Bow Ventures LLC (11.2% of the outstanding class) as to which Mr. Richardson shares voting and dispositive power with Gregory N. Roberts. The address of Mr. Richardson and Silver Bow Ventures LLC is 429 Santa Monica Blvd. Suite 230, Santa Monica, CA 90401.

(5) Beneficial ownership of Gregory N. Roberts is based on his amended Schedule 13D filed with the SEC reporting beneficial ownership of A-Mark common stock at March 21, 2014 and additional advice provided to the Company. His beneficial ownership of A-Mark common stock totaled 944,510 shares, including 93,656 shares as to which Mr. Roberts shares voting and dispositive power with his wife and 778,938 shares owned directly by Silver Bow Ventures LLC (11.2% of the outstanding class) as to which Mr. Roberts shares voting and dispositive power with William Richardson, and including shares issuable to Mr. Roberts upon exercise of 71,916 options to acquire A-Mark common stock (as to which Mr. Roberts has sole voting and sole

dispositive power). The address of Mr. Roberts is 429 Santa Monica Blvd. Suite 230, Santa Monica, CA 90401.

Table of Contents

Beneficial Ownership of Management

Name of Beneficial Owner	Amount and Nature Of Beneficial Ownership		Percent of Outstanding Common Stock [1]	
Joel R. Anderson [2]	727,016		10.4	%
Jeffrey D. Benjamin [3]	813,303		11.5	%
Ellis Landau	179,025		2.6	%
Beverley Lepine	1,000		*	
William Montgomery	248,662	(4)	3.6	%
John U. Moorhead	18,272		*	
Jess M. Ravich	257,226		3.7	%
Gregory N. Roberts [5]	944,510		13.4	%
Thor G. Gjerdrum	51,151	(6)	*	
David W.G. Madge	—		*	
All current directors and executive officers as a group (11 persons)	3,283,548	(6)	46.0	%

* Less than 1%.

(1) See footnote (1) to the table under the caption "Beneficial Ownership of Principal Stockholders" above.

(2) See footnote (2) to the table under the caption "Beneficial Ownership of Principal Stockholders" above.

(3) See footnote (3) to the table under the caption "Beneficial Ownership of Principal Stockholders" above.

(4) Includes 177,745 shares that would be held in a trust as to which Mr. Montgomery has no voting power and limited dispositive power, and as to which shares Mr. Montgomery disclaims beneficial ownership.

(5) See footnote (5) to the table under the caption "Beneficial Ownership of Principal Stockholders" above.

(6) Includes 158,213 shares issuable upon exercise of stock options that are currently exercisable or will become exercisable within 60 days.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Agreements with SGI

Since the spinoff in March 2014, A-Mark and SGI have operated independently of each other, and neither has any ownership interest in the other. During fiscal 2014, A-Mark and SGI entered into agreements to govern their relationship and provide for an orderly transition, as described below. The terms of these agreements were determined before the spinoff, at times when A-Mark remained a wholly owned subsidiary of SGI.

Distribution Agreement

A-Mark entered into a separation and distribution agreement, referred to as the distribution agreement, with SGI, which set forth the principal actions taken in connection with the distribution by SGI of all A-Mark common stock in the spinoff, and also governs A-Mark's ongoing relationship with SGI following the spinoff.

A-Mark–SGI Arrangements. All agreements, arrangements, commitments and understandings, including most intercompany accounts payable or accounts receivable, between A-Mark and its subsidiaries and other affiliates, on the one hand, and SGI and its other subsidiaries and other affiliates, on the other hand, terminated effective as of the distribution, except certain agreements and arrangements that we and SGI expressly provided would survive the distribution.

The Distribution. The distribution agreement governed the rights and obligations of the parties regarding the distribution. Prior to the spinoff, SGI delivered all of the issued and outstanding A-Mark common stock to the distribution agent, which then electronically delivered those shares of A-Mark common stock to entitled SGI shareholders based on the applicable distribution ratio.

Table of Contents

Exchange of Information. A-Mark and SGI also agreed to provide each other with access to information in the other party's possession or control owned by such party and created prior to the distribution date, or as may be reasonably necessary to comply with reporting, disclosure, filing or other requirements of any national securities exchange or governmental authority, for use in judicial, regulatory, administrative and other proceedings and to satisfy audit, accounting, litigation and other similar requests. A-Mark and SGI also agreed to retain such information in accordance with our respective record retention policies for at least seven years. Until the end of the first full fiscal year following the distribution, each party also agreed to use its reasonable best efforts to assist the other with respect to its financial reporting and audit obligations.

Release of Claims; Indemnification. A-Mark and SGI agreed to broad releases pursuant to which each released the other and its affiliates, successors and assigns and their respective shareholders, directors, officers, agents and employees from any claims against any of them that arise out of or relate to events, circumstances or actions occurring or failing to occur or any conditions existing at or prior to the time of the distribution. These releases will be subject to certain exceptions set forth in the distribution Agreement. A-Mark and SGI agreed to indemnify each other and each other’s current and former directors, officers and employees against certain liabilities in connection with the distribution and each other’s respective businesses.

Tax Separation Agreement

Prior to the distribution, A-Mark and SGI entered into a Tax Separation Agreement that governs the respective rights, responsibilities and obligations of SGI and A-Mark with respect to, among other things, liabilities for U.S. federal, state, local and other taxes. In addition to the allocation of tax liabilities, the Tax Separation Agreement addresses the preparation and filing of tax returns for such taxes and disputes with taxing authorities regarding such taxes. Under the terms of the Tax Separation Agreement, SGI must prepare and file tax returns for tax periods ending prior to the distribution date and for tax periods which include the distribution date but end after the distribution date, which include A-Mark and its subsidiaries. These tax returns are to be prepared on a basis consistent with past practices. A-Mark must cooperate in the preparation of these tax returns and a have an opportunity to review and comment on these returns prior to filing. A-Mark must pay all taxes attributable to A-Mark and its subsidiaries, and is entitled to any refund with respect to taxes it has paid.

Pursuant to the Tax Separation Agreement A-Mark and SGI agreed not to: (i) enter into or approve proposed acquisition transactions within the meaning of Section 355(e) of the Internal Revenue Code, including merging or consolidating where another party may acquire more than 35%, by vote or value of its common stock; (ii) liquidate or partially liquidate; (iii) discontinue, sell or materially change its business; (iv) sell or otherwise dispose of more than 35% of its gross assets, or (v) engage in other actions, which could jeopardize the tax free nature of the distribution by SGI, for a period of 25 months from the distribution date, without the approval of the other party or obtaining a favorable private letter ruling from the Internal Revenue Service or an unqualified tax opinion that such actions will not result the distribution becoming taxable to SGI and its shareholders, or a waiver from the other party.

The Tax Separation Agreement also contains agreements concerning cooperation in the preparation and filing of tax returns; the determination of taxes attributable to and payable by A-Mark; handling of tax audits; retention and access of records necessary for the preparation and filing of tax returns, the determination of tax attributes of each of A-Mark and SGI, and indemnification obligations of A-Mark and SGI related to their respective tax obligations and breaches of the Agreement.

Secondment Agreement

Under the terms of the Secondment Agreement entered into between SGI and A-Mark, A-Mark agreed to make Gregory N. Roberts, our Chief Executive Officer, and Carol Meltzer, our Executive Vice President, General Counsel and Secretary, available to SGI for the performance of specified management and professional services following the spinoff, in exchange for an aggregate monthly secondment fee of $150,000 payable by SGI and reimbursement by SGI of certain bonus payments. Neither Mr. Roberts nor Ms. Meltzer is to devote more than 20% of their professional working time on a monthly basis to SGI and in no event will the performance of services for SGI interfere with the performance of the duties and responsibilities of Mr. Roberts and Ms. Meltzer to A-Mark. In addition, to the services to be provided under the Secondment Agreement, both Mr. Roberts and Ms. Meltzer are permitted to serve as officers and directors of SGI since the spinoff. The Secondment Agreement will terminate on June 30, 2016 and is subject to earlier termination under certain circumstances. Under the Secondment Agreement, SGI is obligated to reimburse A-Mark for the portion of the performance bonus payable under Mr. Roberts' employment agreement with A-Mark attributable to pre-tax profits of SGI. See "Compensation Discussion and Analysis."

Replacement of SGI Equity Awards; Expenses of the spinoff

In connection with the spinoff, A-Mark agreed to replace all outstanding equity awards relating to SGI common stock with equity awards relating to A-Mark common stock. Under the Distribution Agreement, SGI agreed to pay the cost, fees and expenses of the spinoff. The replacement of outstanding equity awards in the spinoff is described in Item 11 under the caption "Treatment of Equity-Based Compensation as a Result of the Spinoff." A portion of the replaced equity awards were held by employees of or service providers to SGI who did not become employees of or service providers to A-Mark following the spinoff.

Table of Contents

A total of 80,306 RSUs and 32,903 stock options relating to A-Mark common stock were granted in March 2014 by A-Mark to such SGI employees and service providers. However, A-Mark does not recognize compensation cost for financial reporting purposes relating to the awards replaced by A-Mark following the Distribution which were held by persons who remained employees of SGI.

Other Related Party Transactions

Sales and Purchases Made to Affiliate Companies

During the years ended June 30, 2015 and 2014, the Company made sales and purchases to various companies that had been under common control with A-Mark through the date of Distribution, and which have been deemed to be related parties as of June 30, 2015 and June 30, 2014.

in thousands

Years Ended June 30,	2015		2014	
	Sales	Purchases	Sales	Purchases
Related Party Company				
Calzona Ventures, LLC	$157	$—	$5,018	$464
Stack's Bowers Numismatics, LLC	7,364	9,201	11,925	11,187
Related party, total	$7,521	$9,201	$16,943	$11,651

As of June 30, 2015 and June 30, 2014, the Company's had related party receivables and payables balance as set forth below:

in thousands

June 30,	2015		2014		
	Receivables	Payable	Receivables		Payable
Related Party Company					
Calzona Ventures, LLC	$—	$—	$—		$67
Stack's Bowers Numismatics, LLC	2	10	2,563	(1)	205
SGI (Former Parent)	1,095	—	3,289		—
Related party, total	$1,097	$10	$5,852		$272

1) Includes a secured short-term loan receivable totaling $2.6 million bearing interest of 5.5% per annum, which was paid off in full, plus accrued interest, on August 19, 2014.

Secured Loans to Related Parties

On June 18, 2014, CFC assumed the rights to a secured portfolio of short-term loan receivable totaling $2.6 million from Stack's Bowers (a related party). The Company reflects this transaction as a financing arrangement with a related party, secured by the portfolio of short-term loan receivables collateralized by numismatic and semi numismatic products and bearing interest at 5.5% per annum. This secured loan was paid off in full, plus accrued interest, on August 19, 2014. As of June 30, 2015, the aggregate carrying value of this loan was $0.0 million.

On October 9, 2014, CFC entered into a loan agreement and related documents with Stack's Bowers, providing for a secured line of credit in the maximum principal amount of up to $16.0 million, bearing interest at a competitive rate per annum, which is at an interest rate within the range of rates CFC charges its non-related parties. Advances under the line of credit are secured by numismatic and semi-numismatic products. As of June 30, 2015, the aggregate carrying value of this loan was $0.0 million .

During the years ended June 30, 2015 and 2014, the Company earned approximately $229,000 and $3,000 in interest income related to loans made to Stack's Bowers (see Note 4.)

Subsequent to fiscal 2015, on July 23, 2015, CFC entered into a loan agreement and related documents with Stack's Bowers, providing a secured line of credit in the maximum principal amount of up to $2.5 million, bearing interest at a competitive rate per annum, which is at an interest rate within the range of rates CFC charges its non-related parties. The amount of the initial draw was $1.8 million, which has subsequently been partially repaid. The loan is secured by numismatic and semi-numismatic products.

Secondment Agreement Fees and Reimbursements

Under the terms of the Secondment Agreement, A-Mark has agreed to make Gregory N. Roberts, our Chief Executive Officer, and Carol Meltzer, our Executive Vice President, General Counsel and Secretary, available to SGI for the performance of specified management and professional services following the spinoff in exchange for an annual secondment fee and reimbursement of certain bonus payments. The Secondment Agreement will terminate on June 30, 2016 and is subject to earlier termination under certain circumstances (see Note 1). The Company records the accrual of secondment fees as a reduction to selling, general and administration expense. During the years ended June 30, 2015 and 2014, the Company accrued $0.2 million and $0.2 million, respectively, of secondment fees related to secondment fees due by fiscal year-end. As of June 30, 2015 and June 30, 2014, the outstanding balance of secondment fees due from SGI was $0.0 million and $0.2 million, respectively.

Income Tax Sharing Obligations

The amounts receivable under the Company's income tax sharing obligation due from SGI, totaled $1.1 million, and $3.1 million as of June 30, 2015 and June 30, 2014, respectively, and is shown on the face of the consolidated balance sheets as income taxes receivable from Former Parent (see Note 9.)

Dividends Paid

During the year ended June 30, 2014, the Company paid to SGI dividends totaling $10.0 million, in regards to dividends declared prior to the spinoff. Following the spinoff, the Company initiated a cash dividend policy that calls for the payment of a quarterly cash dividend of $0.05 per common share (see Note 13.)

Transaction with Affiliate of Board Member

In February 2015, A-M Global Logistics, LLC ("Logistics"), a wholly owned subsidiary of the Company that was formed to operate the Company's logistics fulfillment center in Las Vegas, Nevada, entered into various agreements with W. A. Richardson Builders, LLC ("WAR"), for the buildout of and improvements to the Las Vegas premises. The amount involved under the WAR contract was approximately $1.2 million, and Logistics paid WAR a fee equal to 5.0% of the contract work, or approximately $0.1 million. The spouse of the Chairman of the Company's Audit Committee, Ellis Landau, is an owner and a managing member of WAR.

Purchase of A-Mark Shares from Certain Substantial Stockholders

On February 26, 2014, A-Mark entered into a Purchase Agreement with Afinsa Bienes Tangibles, S.A. En Liquidacion (“Afinsa”), Auctentia, S.L. (“Auctenia”, Afinsa’s wholly owned subsidiary) and SGI pursuant to which SGI agreed to purchase all shares of SGI common stock held by Afinsa and Auctentia (which together then beneficially owned approximately 9.7% of SGI’s outstanding common stock), for an aggregate purchase price of $6.4 million, payable in cash at two closings and plus interest from February 26, 2014. Under the Purchase Agreement, Afinsa and Auctentia agreed to sell to A-Mark any shares of common stock of A-Mark received by Afinsa and Auctentia in the then proposed spinoff. SGI purchased 50% of the shares of SGI common stock held by Afinsa and Auctentia for $2.10 per SGI share in cash in February 2014. The purchase of those shares by SGI terminated any rights of the sellers to receive shares of A-Mark common stock as a distribution in the spinoff (which occurred in March 2014).

On June 4, 2014, A-Mark and the other parties entered into an amendment to the Purchase Agreement under which, among other things, SGI agreed to purchase all shares of SGI’s common stock held by Afinsa and Auctentia, and Afinsa and Auctentia agreed to sell to A-Mark 379,033 shares of A-Mark common stock received by Afinsa and Auctentia in the spinoff. Under this amendment, on June 4, 2014, A-Mark purchased 5,520 shares of A-Mark common stock from Afinsa and 373,513 shares of A-Mark common stock from Auctentia for an aggregate purchase price of $2.2 million, plus interest in the amount of $0.02 million from February 26, 2014 at the rate of 4% per annum. As a result of that purchase by A-Mark, Afinsa and Auctentia ceased holding any shares of A-Mark common stock.

Policy and Procedures Governing Related Party Transactions

Our Board of Directors has adopted a written statement of policy regarding transactions with related persons, which we refer to as our "Statement of Policy Regarding Transactions with Related Persons." Our policy requires that a "related person" (as defined in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our general counsel any proposed "related person transaction" (defined as any transaction or series of related transactions that is reportable by us under Item 404(a) of

Table of Contents

Regulation S-K in which we are or will be a participant and the amount involved exceeds $120,000) in which such related person has or will have a direct or indirect material interest, together with all material facts with respect thereto. The general counsel must promptly communicate such information to our Audit Committee (references in this paragraph to the Audit Committee include any other independent body of our Board of Directors, which may act instead of the Audit Committee). No related-person transaction will be entered into without the approval or ratification of our Audit Committee. It is our policy that directors interested in a related-person transaction will recuse themselves from any such vote. Our policy does not specify the standards to be applied by our Audit Committee in determining whether or not to approve or ratify a related-person transaction, and we accordingly anticipate that these determinations will be made in accordance with principles of Delaware law generally applicable to directors of a Delaware corporation.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Grant Thornton, LLP audited the Company's consolidated financial statements for the fiscal year ended June 30, 2015, and has served as our independent registered public accounting firm since June 12, 2015.

BDO USA, LLP audited the Company's consolidated financial statements for the fiscal year ended June 30, 2014 and served as our independent registered public accounting firm until May 18, 2015.

Fees to Independent Registered Public Accounting Firm for Fiscal Years 2015 and 2014

The following table sets forth by fee category the aggregate fees for professional services rendered by (i) Grant Thornton, LLP for the fiscal year ended June 30, 2015 and (ii) BDO USA, LLP for the fiscal year ended June 30, 2014 and for the period from July 1, 2014 through May 18, 2015.

in thousands

Years Ended June 30,	2015	2014
Fee Category	Grant Thornton LLP	BDO USA LLP
Audit fees (1)	$515	$490
Audit-related fees (2)	—	—
Tax fees (3)	—	—
All other fees (4)	—	—
Total	$515	$490

(1) Audit fees consisted of services rendered by the principal accountant for the audit and reviews of our annual and quarterly condensed consolidated financial statements. Such audit fees exclude fees of $262,000 charged by BDO USA, LLP related to audit services performed in fiscal year 2015.

(2) Audit-related fees includes the aggregate fees for assurance and related services provided that are reasonably related to the performance of the audits or reviews of the financial statements and which are not reported above under “Audit fees.”

(3) Tax tees consists of professional services rendered for tax compliance, tax planning, tax advice, and value added tax process review. The services for the fees disclosed under this category include tax return preparation, research and technical tax advice.

(4) All other fees includes the aggregate fees for products and services provided that are not reported above under “Audit fees,” “Audit-related fees” or “Tax fees.”

Pre-Approval Policy

In accordance with the Sarbanes-Oxley Act of 2002, the Audit Committee established policies and procedures under which all audit and non-audit services performed by the Company's principal accountants must be approved in advance by the Audit Committee.

92

Table of Contents

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS SCHEDULES

(a) The following documents are filed as part of this report:

1. Financial Statements

Index to Consolidated Financial Statements

2. Financial Statements Schedules

None.

3. Exhibits required to be filed by Item 601 of Regulation S-K

The information called for by this item is incorporated herein by reference to the Exhibit Index in this report.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: September 24, 2015	A-MARK PRECIOUS METALS, INC.
	By: /s/ Gregory N. Roberts
	Name: Gregory N. Roberts
	Title: Chief Executive Officer (Principal Executive Officer)
September 24, 2015	A-MARK PRECIOUS METALS, INC.
	By: /s/ Gianluca Marzola
	Name: Gianluca Marzola
	Title: Chief Accounting Officer (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title(s)	Date
/s/ Jeffrey D. Benjamin Jeffrey D. Benjamin	Chairman of the Board	September 24, 2015
/s/ Gregory N. Roberts Gregory N. Roberts	Chief Executive Officer and Director (Principal Executive Officer)	September 24, 2015
/s/ Gianluca Marzola Gianluca Marzola	Chief Accounting Officer (Principal Financial Officer)	September 24, 2015
/s/ Joel R. Anderson Joel R. Anderson	Director	September 24, 2015
/s/ Ellis Landau Ellis Landau	Director	September 24, 2015
/s/ Beverley Lepine Beverley Lepine	Director	September 24, 2015
/s/ William Montgomery William Montgomery	Director	September 24, 2015
/s/ John U. Moorhead John U. Moorhead	Director	September 24, 2015
/s/ Jess M. Ravich Jess M. Ravich	Director	September 24, 2015

Table of Contents

ITEM 6. EXHIBITS

Regulation S-K Exhibit Table Item No.	Description of Exhibit
2.1	Separation and Distribution Agreement between Spectrum Group International, Inc. and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-1; Registration No. 333-192260.
3.1	Amended and Restated Certificate of Incorporation of A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1; Registration No. 333-192260.
3.3	Amended and Restated Bylaws of A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 3.4 to the Registration Statement on Form S-1; Registration No. 333-192260.
10.1	Secondment Agreement between Spectrum Group International, Inc. and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-1; Registration No. 333-192260.
10.2	Memorandum of Tax Sharing Agreement, dated as of June 23, 2011, between Spectrum Group International, Inc. and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-1; Registration No. 333-192260.
10.3	Tax Separation Agreement between Spectrum Group International, Inc. and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.3 to the Registration Statement on Form S-1; Registration No. 333-192260.
10.4	Second Amended And Restated Collateral Agency and Intercreditor Agreement, dated September 4, 2014, by and among BNP Paribas, RB International Finance (USA) LLC, f/k/a RZB Finance LLC, Natixis, New York Branch, ABN AMRO Capital USA LLLC, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank International”, New York Branch, HSBC Bank USA, N.A., Brown Brothers Harriman & Co., and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.1 to the 8-K filed with the SEC on September 16, 2014.
10.5	Second Amended and Restated General Security Agreement, by and among BNP Paribas, RB International Finance (USA) LLC, f/k/a RZB Finance LLC, Natixis, New York Branch, ABN AMRO Capital USA LLC, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank International”, New York Branch, HSBC Bank USA, N.A., Brown Brothers Harriman & Co., and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.4 to the 8-K filed with the SEC on September 16, 2014.
10.6	Promissory Note, dated August 22, 2014, in the principal amount of U.S.$50,000,000, between Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.,“Rabobank Nederland”, New York Branch, and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.2 to the 8-K filed with the SEC on September 16, 2014.
10.7	Line Letter, dated August 22, 2014, between Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank Nederland”, New York Branch, and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.3 to the 8-K filed with the SEC on September 16, 2014.
10.8	Second Amendment to Line Letter and Consent, dated as of August 3, 2012 between ABN AMRO CAPTITAL USA LLC and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.26 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.9	Revised Terms and Conditions to Extend a Demand Line of Credit in Favor of A-Mark Precious Metals, Inc., dated September 12, 2012 with Brown Brothers Harriman & Co. Incorporated by reference to Exhibit 10.27 of the Registration Statement on Form S-1;

	Registration No. 333-192260.
10.10	Replacement Promissory Note, dated March 31, 2011, between BNP Paribas and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.30 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.11	Amended and Restated Master Line Letter, dated August 21, 2002, between Natixis, New York Branch (f/k/a Natexis Banques Populaires, New York Branch) and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.29 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.12	Replacement Promissory Note, dated May 10, 2011, between RB International Finance (USA) LLC f/k/a RZB Finance LLC and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.30 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.13	ABN AMRO Line Letter, dated March 18, 2011. Incorporated by reference to Exhibit 10.31 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.14	ABN AMRO Line Letter, dated April 21, 2011. Incorporated by reference to Exhibit 10.32 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.15	ABN AMRO Second Amendment to Line Letter and consent, dated August 3, 2012. Incorporated by reference to Exhibit 10.33 of the Registration Statement on Form S-1; Registration No. 333-192260.

Table of Contents

Regulation S-K Exhibit Table Item No.		Description of Exhibit
10.16		Fortis Capital Corp. Replacement Promissory Note, dated January 2008. Incorporated by reference to Exhibit 10.34 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.17		Non-Employee Director Compensation Policy of A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.36 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.18		Amended and Restated Employment Agreement, dated as of February 28, 2013, by and among A-Mark Precious Metals, Inc., Collateral Finance Corporation, Spectrum Group International, Inc. and Thor C. Gjerdrum. Incorporated by reference to Exhibit 10.37 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.19		Amendment No. 1 to Amended and Restated Employment Agreement, effective as of March 14, 2014, by and among A-Mark Precious Metals, Inc., Collateral Finance Corporation, Spectrum Group International, Inc. and Thor C. Gjerdrum. Incorporated by reference to Exhibit 10.19 of the Annual Report on Form 10-K for the year ended June 30, 2014.
10.20		Employment Agreement, effective as of March 14, 2014, by and between Greg Roberts and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.20 of the Annual Report on Form 10-K for the year ended June 30, 2014.
10.21		Employment Agreement, dated August 29, 2011, by and between A-Mark Precious Metals, Inc. and David Madge. Incorporated by reference to Exhibit 10.39 to the Registration Statement on Form S-1; Registration No. 333-192260.
10.22		Form of 2014 Stock Award and Incentive Plan of A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.40 of the Registration Statement on Form S-1; Registration No. 333-192260.
10.23	*	Air Cargo Center Lease between MCP CARGO, LLC as Landlord, and A-M Global Logistics, LLC as tenant, dated November 21, 2014.
10.24	*	First Amendment to Air Cargo Center Lease between MCP CARGO, LLC as Landlord, and A-M Global Logistics, LLC as tenant, dated August 28, 2015.
10.25		Amended and Restated Uncommitted Facility Letter, dated September 2, 2015, between BNP Paribas and A-Mark Precious Metals, Inc. Incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed on September 16, 2015.
16.1		Letter from BDO USA, LLP, dated May 22, 2015. Incorporated by reference to Exhibit 16 of the Report on Form 8-K filed on May 22, 2015.
21	*	List of Subsidiaries of A-Mark Precious Metals, Inc.
31.1	*	Certification Under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	*	Certification Under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	*	Certification Under Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	*	Certification Under Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	*	XBRL Instance Document.
101.SCH	*	XBRL Taxonomy Extension Calculation Schema Document.
101.CAL	*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith

96

Table of Contents

Supplemental Information to be Furnished with Reports Filed Pursuant to Section 15(D) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act
None.