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

FORM 10-Q

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

For the quarterly period ended December 31, 2014

OR

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

For the transition period from ________ to ________

Commission File Number: 001-36347

A-MARK PRECIOUS METALS, INC.
A Leader In Precious Metals Since 1965

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)

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. ☑ No. ☐

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. ☑ No. ☐

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 ☐	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑

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

As of February 4, 2015, the registrant had 6,962,742 shares of common stock outstanding, par value $0.01 per share.

A-MARK PRECIOUS METALS, INC.

QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended December 31, 2014

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	December 31, 2014	June 30, 2014
ASSETS		
Current assets:		
Cash	$ 5,113	$ 13,193
Receivables, net	125,206	102,824
Inventories:		
Inventories	143,111	150,944
Restricted inventories	80,660	24,610
	223,771	175,554
Deferred tax assets	4,507	—
Income taxes receivable	197	—
Income taxes receivable from Former Parent	3,139	3,139
Prepaid expenses and other assets	658	613
Total current assets	362,591	295,323
Property and equipment, net	1,491	1,678
Goodwill	4,884	4,884
Intangibles, net	2,561	2,753
Long-term receivables	800	—
Long-term investments	1,611	500
Total assets	$ 373,938	$ 305,138
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Lines of credit	$ 151,000	$ 135,200
Liability on borrowed metals	5,684	8,709
Product financing arrangement	80,660	24,610
Accounts payable	80,767	77,426
Accrued liabilities	3,416	6,070
Income taxes payable	—	2,178
Deferred tax liability - current	—	1,456
Total current liabilities	321,527	255,649
Deferred tax liabilities	33	33
Total liabilities	321,560	255,682
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of December 31, 2014 and June 30, 2014	—	—
Common Stock, par value $0.01; 40,000,000 authorized; 6,962,742 and 6,962,742 issued and outstanding as of December 31, 2014 and June 30, 2014, respectively	70	70
Additional paid-in capital	22,439	22,317
Retaining earnings	29,869	27,069
Total stockholders' equity	52,378	49,456
Total liabilities and stockholders' equity	$ 373,938	$ 305,138

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended		Six Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Revenues	$ 1,538,871	$ 1,488,691	$ 2,992,337	$ 2,984,716
Cost of sales	1,531,678	1,480,819	2,979,414	2,969,815
Gross profit	7,193	7,872	12,923	14,901
Selling, general and administrative expenses	(4,754)	(4,503)	(8,973)	(8,151)
Interest income	1,398	1,365	2,875	2,822
Interest expense	(969)	(889)	(2,032)	(1,877)
Unrealized gains (losses) on foreign exchange	(75)	24	(84)	60
Net income before provision for income taxes	2,793	3,869	4,709	7,755
Provision for income taxes	(1,131)	(1,621)	(1,909)	(3,141)
Net income	$ 1,662	$ 2,248	$ 2,800	$ 4,614
Basic and diluted income per share:				
Basic - net income	$ 0.24	$ 0.29	$ 0.40	$ 0.60
Diluted - net income	$ 0.24	$ 0.29	$ 0.40	$ 0.59
Weighted average shares outstanding:				
Basic	6,962,742	7,729,181	6,962,742	7,729,401
Diluted	7,059,400	7,885,640	7,062,300	7,886,167

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Common Stock (Shares)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance, June 30, 2014	**6,962,742**	**$ 70**	**$ 22,317**	**$ 27,069**	**$ 49,456**
Net income	—	—	—	2,800	2,800
Share-based compensation	—	—	122	—	122
Balance, December 31, 2014	**6,962,742**	**$ 70**	**$ 22,439**	**$ 29,869**	**$ 52,378**

See accompanying Notes to Condensed Consolidated Financial Statements

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

Six Months Ended December 31,	2014	2013
Cash flows from operating activities:		
Net Income	$ 2,800	$ 4,614
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	455	443
Deferred income taxes	(5,963)	—
Interest added to principal of secured loans	(144)	—
Share-based compensation	122	75
Changes in assets and liabilities:		
Receivables	(21,871)	7,824
Secured loans to Former Parent	(2,711)	—
Income tax receivable	(197)	—
Inventories	(48,217)	2,349
Prepaid expenses and other current assets	(45)	(381)
Accounts payable	3,341	(1,400)
Liabilities on borrowed metals	(3,025)	(8,891)
Accrued liabilities	(2,654)	(1,616)
Receivable from/ payables to Former Parent	—	(1,905)
Income taxes payable	(2,178)	—
Net cash (used in) provided by operating activities	(80,287)	1,112
Cash flows from investing activities:		
Capital expenditures for property and equipment	(76)	(264)
Purchase of cost method investment	(1,111)	—
Secured loans, net	1,544	(350)
Net cash provided by (used in) investing activities	357	(614)
Cash flows from financing activities:		
Product financing arrangement, net	56,050	(13,048)
Dividends paid to Former Parent	—	(5,000)
Borrowings under lines of credit, net	15,800	11,000
Net cash provided by (used in) financing activities	71,850	(7,048)
Net decrease in cash and cash equivalents	(8,080)	(6,550)
Cash and cash equivalents, beginning of period	13,193	21,565
Cash and cash equivalents, end of period	$ 5,113	$ 15,015
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest expense	$ 1,719	$ 1,851
Income taxes	$ 10,247	$ 3,925
Non-cash investing and financing activities:		
Interest added to principal of secured loans	$ 144	$ —
Secured loans received in satisfaction of customer receivable	$ —	$ 12,800

See accompanying Notes to Condensed Consolidated Financial Statements

A-MARK PRECIOUS METALS, INC.
NOTES TO CONDENSED 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, most of whom are active customers of A-Mark. 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 ("A-M Logistics"), which will operate the Company's logistics fulfillment center based in Las Vegas, Nevada.

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 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.

Reclassifications

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The condensed 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 condensed consolidated financial statements include the accounts of A-Mark, and its wholly owned subsidiaries, CFC, AMTAG, A-M Logistics and TDS (collectively the "Company"). All significant inter-company accounts and transactions have been eliminated in consolidation. The condensed 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.

Unaudited Interim Financial Information

The accompanying interim condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting. These interim condensed consolidated financial statements are unaudited and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments and accruals) necessary to present fairly the condensed consolidated balance sheets, condensed consolidated statements of income, condensed consolidated statements of stockholders' equity, and condensed consolidated statements of cash flows for the periods presented in accordance with U.S. GAAP. Operating results for the three and six months ended December 31, 2014 are not necessarily indicative of the results that may be expected for the year ending June 30, 2015 or for any other interim period during such fiscal year. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP have been omitted in accordance with the rules and regulations of the SEC. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 (the "2014 Annual Report"), as filed with the SEC. Amounts related to disclosure of June 30, 2014 balances within these interim condensed consolidated financial statements were derived from the aforementioned audited consolidated financial statements and notes thereto included in the 2014 Annual Report.

Use of Estimates

The preparation of condensed 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 condensed 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. 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 are included in the condensed 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 condensed consolidated statements of income as unrealized net gains (losses) on foreign exchange.

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less, when purchased, to be cash equivalents.

Concentration of Suppliers

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.

Concentration of Customers

Customers providing 10 percent or more of the Company's revenues for the three and six months ended December 31, 2014 and 2013 are listed below:

in thousands

	Three Months Ended				Six Months Ended			
	December 31, 2014		December 31, 2013		December 31, 2014		December 31, 2013	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Total revenue	$ 1,538,871	100.0%	$ 1,488,691	100.0%	$ 2,992,337	100.0%	$ 2,984,716	100.0%
Customer concentrations								
HSBC Bank USA	$ 448,453	29.1%	$ 393,148	26.4%	$ 982,991	32.9%	$ 705,693	23.6%
Total	$ 448,453	29.1%	$ 393,148	26.4%	$ 982,991	32.9%	$ 705,693	23.6%

Customers providing 10 percent or more of the Company's accounts receivable, excluding $42.6 million and $41.3 million of secured loans and derivative assets of $18.1 million and $22.2 million, as of December 31, 2014 and June 30, 2014, respectively, are listed below:

in thousands

	December 31, 2014		June 30, 2014	
	Amount	Percent	Amount	Percent
Total accounts receivable, net (excluding secured loans and derivative assets)	$ 65,360	100.0%	$ 39,409	100.0%
Customer concentrations				
United States Mint	$ 18,839	28.8%	$ —	—%
Sunshine Mint	9,680	14.8	—	—
Total	$ 28,519	43.6%	$ —	—%

Customers providing 10 percent or more of the Company's secured loans as of December 31, 2014 and June 30, 2014, respectively, are listed below:

in thousands

	December 31, 2014		June 30, 2014	
	Amount	Percent	Amount	Percent
Total secured loans	$ 42,564	100.0%	$ 41,261	100.0%
Customer concentrations				
Customer A	$ 5,273	12.4%	$ 2,562	6.2%
Customer B	4,900	11.5	4,200	10.2
Customer C	4,391	10.3	4,103	9.9
Total	$ 14,564	34.2%	$ 10,865	26.3%

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

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 condensed 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. As of December 31, 2014 and June 30, 2014 the premium component included in inventory was $4.7 million and $3.3 million, respectively. Our commemorative coin inventory totaled $0.4 million and $2.6 million as of December 31, 2014 and June 30, 2014, respectively. (See Note 4). Neither the commemorative coin inventory nor the premium component of our inventory is hedged.

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 condensed consolidated balance sheets and totaled $5.7 million and $8.7 million, respectively as of December 31, 2014 and June 30, 2014. The Company mitigates market risk of its physical inventories through commodity hedge transactions. The Company also protects substantially all of its physical inventories from market risk through commodity hedge transactions (see Note 11).

The Company periodically loans metals to customers on a short-term consignment basis, charging interest fees based on the value of the metals loaned. Inventories loaned under consignment arrangements to customers as of December 31, 2014 and June 30, 2014 totaled $4.0 million and $11.1 million. Such inventories are removed at the time the customers elect to price and purchase the 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.

Inventory includes amounts for obligations under product financing agreement. The Company enters into an agreement for the sale of gold and silver at a fixed price to a third party. This inventory is restricted and the Company is allowed to repurchase the inventory at an agreed-upon price based on the spot price on the repurchase date. The third party charges a monthly fee as a percentage of the market value of the outstanding obligation; such monthly charge is classified in interest expense in the condensed consolidated statements of income. These transactions do not qualify as sales and therefore have been accounted for as financing arrangements and reflected in thecondensed 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 (which is entirely restricted) are carried at fair value, with changes in fair value included as component of cost of sales. Such obligation totaled $80.7 million and $24.6 million as of December 31, 2014 and June 30, 2014, respectively.

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 terminate any such arrangement with 14 days notice. Upon termination the customer's rights to repurchase any remaining inventory is forfeited. As of December 31, 2014 and June 30, 2014, included within inventory is $39.6 million and $24.6 million, respectively, of precious metals products subject to repurchase.

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 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 December 31, 2014 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.

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 December 31, 2014 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 ("ASC 325-20") 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, for4% of this company's issued and outstanding common stock at a purchase price equal to $0.9 million, is expected to take place on or prior to February 15, 2015.

In connection with both transactions, the Company (1) 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), and (2) has the right to appoint, and has appointed, a board member to each customer's boards of directors. 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.

As of December 31, 2014, the aggregate carrying amount of the Company’s cost-method investments was $1.6 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 three and six months ended December 31, 2014.

As of December 31, 2014, the aggregate balance of payables due to and the aggregate balance of receivables due from these entities totaled$26.1 million and $18.3 million, respectively. Included in the receivable balance at December 31, 2014 was a $1.0 million secured loan, of which $0.8 million is presented on the condensed 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 three months ended December 31, 2014 the Company had aggregate sales of $139.4 million and aggregate purchases of $0.0 million, respectively, with these entities. For the three months ended December 31, 2013 the Company had aggregate sales of $46.9 million and aggregate purchases of $1.9 million, respectively, with these entities.

For the six months ended December 31, 2014 the Company had aggregate sales of $227.4 million and aggregate purchases of $0.4 million, respectively, with these entities. For the six months ended December 31, 2013 the Company had aggregate sales of $83.2 million and aggregate purchases of $1.9 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.

Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments as ofDecember 31, 2014 and June 30, 2014.

in thousands

	December 31, 2014		June 30, 2014	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets:				
Cash	$ 5,113	$ 5,113	$ 13,193	$ 13,193
Receivables, advances receivables and secured loans	107,894	107,894	80,640	80,640
Derivative assets - open sale and purchase commitments, net, included in receivable	2,428	2,428	22,170	22,170
Derivative assets - futures contracts included in receivable	6,174	6,174	—	—
Derivative assets - forward contracts included in receivable	9,510	9,510	14	14
Income taxes receivable from Former Parent	3,139	3,139	3,139	3,139
Financial liabilities:				
Lines of credit	$ 151,000	$ 151,000	$ 135,200	$ 135,200
Liability for borrowed metals	5,684	5,684	8,709	8,709
Product financing obligation	80,660	80,660	24,610	24,610
Derivative liabilities - open sale and purchase commitments, net, included in payables	30,020	30,020	848	848
Derivative liabilities - futures contracts included in payables	—	—	8,078	8,078
Derivative liabilities - forward contracts included in payables	46	46	14,873	14,873
Accounts payable, margin accounts, advances and other payables	50,701	50,701	53,627	53,627
Accrued liabilities	3,416	3,416	6,070	6,070

The fair values of the financial instruments shown in the above table as ofDecember 31, 2014 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 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 intrinsic values, based on the difference between the quoted market price and the contractual price, 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 December 31, 2014 and June 30, 2014 aggregated by the level in the fair value hierarchy within which the measurements fall:

	December 31, 2014			
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]	$ 223,377	$ —	$ —	$ 223,377
Derivative assets — open sale and purchase commitments, net	2,428	—	—	2,428
Derivative assets — futures contracts	6,174	—	—	6,174
Derivative assets — forward contracts	9,510	—	—	9,510
Total assets valued at fair value	$ 241,489	$ —	$ —	$ 241,489
Liabilities:				
Liability on borrowed metals	$ 5,684	$ —	$ —	$ 5,684
Product financing arrangement	80,660	—	—	80,660
Liability on margin accounts	5,123	—	—	5,123
Derivative liabilities — open sales and purchase commitments, net	30,020	—	—	30,020
Derivative liabilities — forward contracts	46	—	—	46
Total liabilities, valued at fair value	$ 121,533	$ —	$ —	$ 121,533

[1] Commemorative coin inventory totaling $0.4 million is held at lower of cost or market and is thus excluded from this table.

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

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(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 six months ended December 31, 2014.

Assets Measured at Fair Value on a Non-Recurring Basis

Company's goodwill and other intangible assets are measured at fair value on a non-recurring basis. These assets are measured at cost but are written down to fair value if they are impaired. As of December 31, 2014, 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 three months ended December 31, 2014.

The Company's investments in ownership interests in noncontrolled entities do not have readily determinable fair values and were initially recorded at cost $1.6 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 noncontrolled entities during the three and six months ended December 31, 2014.

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 condensed 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 condensed consolidated statements of income.

Interest Income

The Company uses the effective interest method to recognize interest expense 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 3).

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 ASC 470-40 *Product Financing Arrangements*. 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 condensed 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 condensed 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 11).

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 condensed consolidated balance sheet at fair value (see Note 3 and Note 7).

The Company records the change between market value and trade value of the underlying open commodity contracts as a derivative asset or liability, and it 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 condensed 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 condensed consolidated statement of income. Below, is a summary of the net gains (losses) on derivative instruments for the three and six months ended December 31, 2014 and 2013.

in thousands

	Three Months Ended		Six Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Gain (loss) on derivative instruments:				
Unrealized gain (loss) on open future commodity and forward contracts and open sale and purchase commitments, net	$ 9,006	$ 14,047	$ 10,284	$ (1,839)
Realized loss on future commodity contracts, net	(37,172)	(6,480)	(44,806)	(8,183)
Total	$ (28,166)	$ 7,567	$ (34,522)	$ (10,022)

The Company enters into these 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 condensed consolidated statements of income (see Note 11).

Advertising

Advertising costs are expensed as incurred, and are included in selling, general and administrative expenses in thecondensed consolidated statements of income. Advertising expense was $0.1 million and $0.2 million, respectively, for the three months ended December 31, 2014 and 2013, and was $0.3 million and $0.3 million, respectively, for the six months ended December 31, 2014 and 2013.

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 condensed consolidated statements of income. Shipping and handling costs incurred totaled$1.8 million and $1.3 million, respectively, for the three months ended December 31, 2014 and 2013, and totaled $3.2 million and $3.0 million, respectively, for the six months ended December 31, 2014 and 2013.

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 condensed 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. 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. As of December 31, 2014, no equity awards were issued from the 2014 Plan (seeNote 13).

Income Taxes

As part of the process of preparing itscondensed 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 condensed 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 condensed 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 condensed 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 condensed consolidated statements of income. Please refer to Note 8 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 condensed 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 SGI 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 and amounts paid to federal and state jurisdictions due to taxable income generated as a separate taxpaying entity outside the consolidated income tax return group of the Former Parent.

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 three and six months ended December 31, 2014 and 2013.

in thousands

	Three Months Ended		Six Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Basic weighted average shares outstanding (1)(2)	6,963	7,729	6,963	7,729
Effect of common stock equivalents — stock issuable under outstanding equity awards	96	157	99	157
Diluted weighted average shares outstanding (2)	7,059	7,886	7,062	7,886

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(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 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 June 2014, the FASB issued ASU No. 2014-11, *Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchases Financings, and Disclosures*, which requires that repurchase-to-maturity transactions be accounted for as secured borrowings consistent with the accounting for other repurchase agreements. In additions, the amendments require separate accounting for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty, which will result in secured borrowing accounting for the repurchase agreement. ASU No. 2014-11 is effective beginning annual periods beginning after December 15, 2014 and for interim periods beginning after March 15, 2015. We are currently evaluating the impact of our pending adoption of ASU No. 2014-11 on our consolidated financial statements.

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 standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU No. 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). We are currently evaluating the impact of our pending adoption of ASU No. 2014-09 on our consolidated financial statements and have not yet determined the method by which we will adopt the standard in 2017.

3. RECEIVABLES

Receivables and secured loans consist of the following as of December 31, 2014 and June 30, 2014:

in thousands

	December 31, 2014	June 30, 2014
Customer trade receivables	$ 32,129	$ 1,744
Wholesale trade advances	11,583	4,586
Due from brokers	21,648	33,079
Subtotal	65,360	39,409
Secured loans	41,764	41,261
Secured loans (long-term portion)	800	—
Subtotal	107,924	80,670
Less: allowance for doubtful accounts	(30)	(30)
Subtotal	107,894	80,640
Derivative assets — open sale and purchase commitments, net	2,428	22,170
Derivative assets — futures contracts	6,174	—
Derivative assets — forward contracts	9,510	14
Receivables, net	$ 126,006	$ 102,824

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 represent advances of various bullion products and cash advances to customers. These advances are unsecured, short-term, non-interest bearing advances made to wholesale metals dealers and government mints.

Due from brokers principally consists of the margin requirements held at brokers related to open futures contracts (see Note 11).

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. These loans are fully secured by the customers' assets, that include bullion, numismatic and semi-numismatic material, which are held in safekeeping by TDS, a wholly owned subsidiary of the Company. As of December 31, 2014 and June 30, 2014, the loans carried weighted-average effective interest rates of 8.3% 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:

- On September 27, 2013, CFC, a subsidiary of the Company, 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 were 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 December 31, 2014, the aggregate carrying value of this loan portfolio was $3.0 million and the aggregate loan premium was $0.2 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, related to this transaction.

- On June 5, 2014, CFC assumed the rights from the above-referenced customer to a 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. 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 as a financing arrangement with this customer, secured by the portfolio of short-term loan receivables, which is collateralized by precious metal products. As of December 31, 2014 and June 30, 2014, the aggregate carrying value of this loan portfolio was $1.3 million and $3.8 million, respectively.

- 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 Bower"), a wholly-owned subsidiary of our Former Parent. As a result of the terms of this arrangement, the Company reflects this as a financing arrangement with this related party, secured by the portfolio of short-term loan receivables, which is collateralized by numismatic and semi numismatic products. As of December 31, 2014 and June 30, 2014, the aggregate carrying value of this loan was $0.0 million and $2.6 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 July 1, 2014, CFC assumed the rights to a portfolio of short-term loan receivables totaling $3.7 million for the aggregate principal amount of the loan portfolio from the same customer from whom it had entered into similar arrangements on June 5, 2014. 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 a result of the terms of this arrangement, the Company reflects this as a financing arrangement with this customer, secured by the portfolio of short-term loan receivables, which is collateralized by precious metal products. As of December 31, 2014, the aggregate carrying value of this loan portfolio was $2.0 million.

- On October 9, 2014, CFC entered into a loan agreement and related documents with Stack's Bower (a related party), 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 midst the range of rates CFC charges its non-related parties. Advances under the line of credit are secured by numismatic and semi-numismatic products and receivables. As of December 31, 2014, the aggregate carrying value of this loan was $5.3 million.
- On January 23, 2015, CFC assumed the rights to another portfolio of short-term loan receivables totaling $3.1 million for the aggregate principal amount of the loan portfolio from the same customer from who CFC had entered into similar arrangements on June 5, 2014 and July 1, 2014. 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 (see Note 15).

The secured loans that the Company generates with active customers of A-Mark are reflected as an operating activity on the condensed 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 condensed 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 condensed 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 condensed consolidated statements of cash flows.

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 11). The Company's derivative assets 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 ofthree 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

	December 31, 2014		June 30, 2014	
Bullion	$ 9,960	23.4%	$ 17,361	42.1%
Numismatic and semi numismatic	26,331	61.9	23,900	57.9
Subtotal	36,291	85.3	41,261	100.0
Other pledged assets(1)	6,273	14.7	—	—
Total secured loans	$ 42,564	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.

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 collaterlized by precious metal products, as follows:

in thousands

	December 31, 2014		June 30, 2014	
Loan-to-value of 75% or more (1)	$ 15,647	43.1%	$ 11,950	29.0%
Loan-to-value of less than 75% (1)	20,644	56.9	29,311	71.0
Secured loans collateralized by precious metal products (1)	$ 36,291	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 two loans with a loan-to-value ratio in excess of100% at December 31, 2014. The aggregate balance of these loans totaled $193,000 or .5% of the secured loan balance. The Company had no loans with a loan-to-value ratio in excess of100% 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 three and six months ended December 31, 2014 and 2013, the Company incurred no loan impairment costs.

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
Three Months Ended December 31, 2014	$ 30	$ —	$ —	$ 30
Year Ended June 30, 2014	$ 104	$ —	$ (74)	$ 30

4. 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 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 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 condensed consolidated statements of income.

The premium component of market value included in the inventories as of December 31, 2014 and June 30, 2014 totaled $4.7 million and $3.3 million, respectively. Commemorative coins, which are not hedged, are also included in inventory at the lower of cost or market and totaled $0.4 million and $2.6 million as of December 31, 2014 and June 30, 2014, respectively. As of December 31, 2014 and June 30, 2014, the unrealized gains (losses) resulting from the difference between market value and cost of physical inventories were $(12.3) million and $3.8 million, respectively.

The Company enters to arrangements with its suppliers and customers regarding its inventory, as summarize below:

Borrowed Precious Metals from Suppliers

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 condensed consolidated balance sheets and totaled $5.7 million and $8.7 million as of December 31, 2014 and June 30, 2014, respectively. The Company mitigates market risk of its physical inventories through commodity hedge transactions (see Note 11).

Repurchase Arrangements with Finance Company

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, 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 condensed 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 condensed consolidated statements of income. Such obligation totaled $80.7 million and $24.6 million as of December 31, 2014 and June 30, 2014, respectively.

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 December 31, 2014 and June 30, 2014 totaled $4.0 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.

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 of the product on the repurchase date. The Company or the counterparty may terminate any such arrangement with 14 days notice. Upon termination the customer’s rights to repurchase any remaining inventory is forfeited. As of December 31, 2014 and June 30, 2014, included within inventory is $39.6 million and $24.6 million, respectively, of precious metals products subject to repurchase.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2014 and June 30, 2014:

in thousands

	December 31, 2014	June 30, 2014
Office furniture, fixtures and equipment	$ 504	$ 490
Computer equipment	342	323
Computer software	2,376	2,333
Leasehold improvements	260	260
Subtotal	3,482	3,406
Less: accumulated depreciation	(1,991)	(1,728)
Property and equipment, net	$ 1,491	$ 1,678

Depreciation expense for the three months ended December 31, 2014 and 2013 was $0.1 million and $0.1 million, respectively, and for the six months ended December 31, 2014 and 2013 was $0.3 million and $0.3 million, respectively.

6. 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 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 December 31, 2014 and June 30, 2014 is as described below:

dollar amounts in thousands

		December 31, 2014			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	(3,640)	2,107	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	(5,835)	2,107	7,942	(5,643)	2,299
		$ 8,396	$ (5,835)	$ 2,561	$ 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 six months ended December 31, 2014 and 2013 was $0.2 million and $0.2 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
2015 (6 months remaining)	$ 192
2016	385
2017	385
2018	385
2019	385
Thereafter	375
Total	$ 2,107

7. ACCOUNTS PAYABLE

Accounts payable consist of the following:

in thousands

	December 31, 2014	June 30, 2014
Trade payable to customers payables	$ 5,723	$ 366
Advances from customers	28,783	38,739
Liability on deferred revenue	9,713	4,177
Net liability on margin accounts	5,123	8,983
Other accounts payable	1,359	1,362
Subtotal	50,701	53,627
Derivative liabilities — open sales and purchase commitments, net	30,020	848
Derivative liabilities — futures contracts	—	8,078
Derivative liabilities — forward contracts	46	14,873
	$ 80,767	$ 77,426

8. 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 three and six months ended December 31, 2014 and 2013 consists of the following:

in thousands

	Three Months Ended		Six Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
U.S	$ 1,131	$ 1,621	$ 1,909	$ 3,141
Foreign	—	—	—	—
Provision for income taxes	$ 1,131	$ 1,621	$ 1,909	$ 3,141

The effective tax rate for the three and six months ended December 31, 2014 and 2013 is as follows:

in thousands

	Three Months Ended		Six Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Effective tax rate	40.5 %	41.9 %	40.5 %	40.5 %

The Company uses an estimated annual effective tax rate, which is based on expected annual income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates, to determine its quarterly provision for income taxes. Certain significant or unusual items are separately recognized in the quarter in which they occur and can be a source of variability in the effective tax rates from quarter to quarter. The effective tax rate varies significantly from the federal statutory rate due to permanent adjustments for nondeductible items and state taxes.

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 six months ended December 31, 2014, 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 December 31, 2014, the Company had $0.3 million 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.

During the quarter ended December 31, 2014, the Company determined that it was appropriate to adjust the deferred tax assets and income tax payable/receivable for the timing differences that changed materially during the current quarter. Accordingly, the Company recorded a $6.0 million increase to the deferred tax assets for the estimated change in temporary adjustments that had a material unfavorable impact on income tax expense payable.

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 company's consolidated income tax return group. The current tax receivable of $3.1 million reflects balances due from the Former Parent company to A-Mark for its share of the income tax assets of the group. The current tax receivable of $0.2 million represents amounts paid to federal and state jurisdictions due to taxable income generated as a separate taxpaying entity outside the consolidated income tax return group of the Former Parent.

As of December 31, 2014, the Company had $0.5 million of unrecognized tax benefits and $0.4 million relating to interest and penalties. Of the total unrecognized tax benefits, $0.5 million would reduce the Company's effective tax rate, if recognized. The Company's continuing practice is to recognize interest and penalties related to income tax matters in income tax expense. During the three months ended December 31, 2014 and 2013, the Company had no additional accruals for interest and penalties.

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, subsequent to the balance sheet date, the Former Parent was notified that it had successfully resolved the June 30, 2004 through June 30, 2007 tax years. The Former Parent remains under examination by the IRS for the years ended June 30, 2008 through 2013 and 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; however, the Former Parent has been offered a settlement from the state of New York regarding certain tax matters on the combined New York filing. The Former Parent is considering whether to settle tax matters with New York or to further pursue tax positions taken. With few exceptions, either 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 $3.1 million, and $3.1 million as of December 31, 2014 and June 30, 2014, respectively, and is shown on the face of the condensed 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 $6.3 million of state net operating losses. These net operating losses resulted in a deferred tax asset of $0.4 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 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.

9. RELATED PARTY TRANSACTIONS

During the three and six months ended December 31, 2014 and 2013, the Company made sales and purchases to various companies under common control with A-Mark (through common ownership and management) through the date of Distribution. The companies are as follows: Calzona Ventures, LLC ("Calzona"), Stack's-Bowers Numismatics, LLC ("Stack's Bowers"), Spectrum Numismatics International, Inc. (now doing business as Stack's Bowers) ("SNI"), and Teletrade Inc. (now doing business as Stack's Bowers) ("Teletrade"). All of such entities were consolidated by our Former Parent, SGI.

in thousands

	Three Months Ended				Six Months Ended			
	December 31, 2014		December 31, 2013		December 31, 2014		December 31, 2013	
	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases
Related Party Company								
Calzona	$ —	$ —	$ 1,481	$ 354	$ 157	$ —	$ 2,349	$ 354
SNI (now doing business as Stack's Bower)	386	2,145	1,616	1,794	610	3,793	3,787	2,260
Stack's Bower	722	569	856	1,529	1,300	1,467	1,202	2,650
Teletrade (now doing business as Stack's Bowers)	422	903	618	621	1,015	1,278	1,099	1,485
Related party, total	$ 1,530	$ 3,617	$ 4,571	$ 4,298	$ 3,082	$ 6,538	$ 8,437	$ 6,749

As of December 31, 2014 and June 30, 2014, the Company's had related party receivables and payables balance as set forth below:

in thousands

	December 31, 2014		June 30, 2014	
	Receivables	Payable	Receivables	Payable
Related Party Company				
Calzona	$ —	$ —	$ —	$ 67
SNI (now doing business as Stack's Bowers)	—	10	—	72
Stack's Bowers	5,325	—	2,563	—
Teletrade (now doing business as Stack's Bowers)	—	7	—	133
SGI (Former Parent)	3,214	—	3,289	—
Related party, total	$ 8,539	17	$ 5,852	$ 272

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). As a result of the terms of this arrangement, the Company reflects this as a financing arrangement with this related party, secured by the transfer of the portfolio of short-term loan receivables, collateralized by numismatic and semi numismatic products. As of December 31, 2014, the aggregate carrying value of this loan was$0.0 million, which bore interest of 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 and related documents with Stack's Bower (a related party), 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 midst the rates CFC charges its non-related parties. Advances under the line of credit are secured by numismatic and semi-numismatic products. As of December 31, 2014, the aggregate carrying value of this loan was $5.3 million (see Note 3).

Corporate Overhead Charges

During the six months ended December 31, 2014 and 2013, the Company incurred $0.0 million and $0.40 million, respectively, of corporate overhead charges, which were payable monthly to SNI 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 SNI concluded.

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.

Income Tax Sharing Obligations

The amounts receivable under the Company's income tax sharing obligation due from SGI, totaled $3.1 million, and $3.1 million as of December 31, 2014 and June 30, 2014, respectively, and is shown on the face of the condensed consolidated balance sheets as income taxes receivable from Former Parent (see Note 8).

Dividends Paid to Former Parent

During the six months ended December 31, 2014 and 2013, the Company paid to SGI dividends totaling $0.0 million and $5.0 million, respectively, in regards to dividends declared prior to the spinoff. The Company has not made a determination regarding our policy on the payment of dividends following the spinoff.

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 $0.13 million and $0.11 million in selling, general and administrative expenses (royalty expense) during the six months ended December 31, 2014 and 2013, respectively. The total amount due to the former owner of $0.13 million and $0.20 million are included in accrued liabilities as of December 31, 2014 and June 30, 2014, respectively.

10. FINANCING AGREEMENTS

Lines of Credit

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.

Effective September 12, 2014, the Company obtained a permanent increase in its demand Trading Credit Facility through the addition of a sixth institutional participant, which is providing $50.0 million in demand lines. As of December 31, 2014, the maximum of the Trading Credit Facility was $220.0 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 0.17% and 0.15% as of December 31, 2014 and June 30, 2014, respectively. Borrowings are due on demand and totaled $151.0 million and $135.2 million at December 31, 2014 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 $19.5 million and $14.4 million at December 31, 2014 and June 30, 2014, respectively. The Trading Credit Facility also limits A-Mark's ability to pay dividends. The Trading Credit Facility is cancelable by written notice from the financial institutions.

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 December 31, 2014. The Company's ability to pay dividends, if it were to elect to do so, could be limited as a result of these restrictions.

Through October 8, 2014, the Trading Credit Facility contained a a sub-facility that the Company and SNI (a related party) was able to be drawn on. A-Mark and SNI could draw up to $20.0 million and $5.0 million, respectively, under the sub-facility; provided that the maximum amount that was permitted to be outstanding at any given time could not exceed $23.0 million. Amounts available for borrowing under this sub-facility as of December 31, 2014 and June 30, 2014 were $0.0 million and $3.3 million, respectively. On October 8, 2014, SNI paid off its obligations under the sub-facility in full utilizing funds drawn from its line of credit with CFC, and SNI no longer has any right to draw upon the sub-facility (see Note 3).

Interest expense related to the Company’s borrowing arrangements totaled $0.8 million and $0.8 million, which represents 84.6% and 89.4% of the total interest expense recognized, for the three months ended December 31, 2014 and 2013, respectively. Our borrowing arrangements carried a daily weighted average effective interest rate of 2.84% and 3.22%, respectively, for the three months ended December 31, 2014 and 2013.

Interest expense related to the Company’s borrowing arrangements totaled $1.8 million and $1.6 million, which represents 86.3% and 85.8% of the total interest expense recognized, for the six months ended December 31, 2014 and 2013, respectively. Our borrowing arrangements carried a daily weighted average effective interest rate of 2.95% and 3.19%, respectively, for the six months ended December 31, 2014 and 2013.

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 $5.7 million and $8.7 million as of December 31, 2014 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 condensed 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 condensed consolidated statements of income. Such obligation totaled $80.7 million and $24.6 million as of December 31, 2014 and June 30, 2014, respectively.

11. 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 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). Gains or losses resulting from the termination of hedge contracts are reported as realized gains or losses on commodity contracts. Net gains (losses) on derivative instruments in the condensed consolidated statements of income totaled $(28.2) million and $7.6 million for the three months ended December 31, 2014 and 2013, respectively. Net gains (losses) on derivative instruments in the condensed consolidated statements of income totaled $(34.5) million and $(10.0) million for the six months ended December 31, 2014 and 2013, respectively.

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.

The following table summarizes the results of our hedging activities as follows at December 31, 2014 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

	December 31, 2014	June 30, 2014
Inventory	$ 223,771	$ 175,554
Less unhedgable inventory:		
Commemorative coin inventory, held at lower of cost or market	(394)	(2,564)
Premium on metals position	(4,653)	(3,285)
Inventory value not hedged	(5,047)	(5,849)
Subtotal	218,724	169,705
Commitments at market:		
Open inventory purchase commitments	441,431	489,944
Open inventory sales commitments	(204,389)	(190,108)
Margin sale commitments	(13,073)	(15,751)
In-transit inventory no longer subject to market risk	(11,136)	(4,522)
Unhedgable premiums on open commitment positions	2,410	1,694
Inventory borrowed from suppliers	(5,684)	(8,709)
Product financing obligation	(80,660)	(24,610)
Advances on industrial metals	3,141	8,813
Inventory subject to price risk	350,764	426,456
Inventory subject to derivative financial instruments:		
Precious metals forward contracts at market values	168,577	206,055
Precious metals futures contracts at market values	181,891	220,984
Total market value of derivative financial instruments	350,468	427,039
Net inventory subject to commodity price risk	$ 296	$ (583)

As of December 31, 2014 and June 30, 2014, the Company had the following outstanding commitments and open forward and future contracts:

in thousands

	December 31, 2014	June 30, 2014
Purchase commitments	$ 441,431	$ 489,944
Sales commitments	(204,389)	(190,108)
Margin sales commitments	(13,073)	(15,751)
Open forward contracts	168,577	206,055
Open futures contracts	181,891	220,984

The contract amounts of these forward and futures contracts and the open sales and purchase orders are not reflected in the accompanying condensed 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 December 31, 2014 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 December 31, 2014, 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 condensed consolidated statements of income totaled $(75,000) and $24,000 for the three months ended December 31, 2014 and 2013, respectively. Unrealized net gains (losses) on foreign exchange derivative instruments shown on the face of the condensed consolidated statements of income totaled $(84,000) and $60,000 for the six months ended December 31, 2014 and 2013, 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 December 31, 2014 was $0.8 million and $2.4 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 condensed 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 December 31, 2014 and June 30, 2014.

	December 31, 2014				June 30, 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	$ 3,424	$ (996)	$ —	$ 2,428	$ 26,282	$ (4,112)	$ —	$ 22,170
Future contracts	6,174	—	—	6,174	—	—	—	—
Forward contracts	9,510	—	—	9,510	14	—	—	14
	$ 19,108	$ (996)	$ —	$ 18,112	$ 26,296	$ (4,112)	$ —	$ 22,184
Nettable derivative payables:								
Open sale and purchase commitments	$ 31,936	$ (1,916)	$ —	$ 30,020	$ 1,022	$ (174)	$ —	$ 848
Margin accounts	13,073	—	(7,950)	5,123	15,751	—	(6,768)	8,983
Future contracts	—	—		—	(15,121)	—	23,199	8,078
Forward contracts	46	—	—	46	14,873	—	—	14,873
	$ 45,055	$ (1,916)	$ (7,950)	$ 35,189	$ 16,525	$ (174)	$ 16,431	$ 32,782

12. COMMITMENTS AND CONTINGENCIES

On November 21, 2014, the Company executed an agreement to lease approximately 14,000 square feet of warehouse space in Las Vegas, Nevada at 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.

Refer to Note 12 of the Notes to Consolidated Financial Statements in the 2014 Annual Report for information relating to minimum rental payments under operating and capital leases, consulting and employment contracts, and other commitments. There has been no material changes to those scheduled commitments as of the filing of this report.

13. 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.

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. The Company has not made a determination regarding our policy on the payment of dividends following the spinoff.

2014 Stock Award and Incentive Plan

Prior to the Distribution, the Company's Board of Directors ("Board") adopted and the Company's then sole stockholders 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 December 31, 2014, 625,000 shares were available for grants under the 2014 Plan. At that date no awards had yet been granted 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 December 31, 2014, 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 2.8 years, 1.2 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.

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 three and six months ended December 31, 2014 and 2013, 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

	Three Months Ended		Six Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Stock option based Compensation Cost related to Shares Settleable in:				
SGI common stock	$ —	$ —	$ —	$ —
A-Mark common stock	37.6	—	77.2	—
Total stock option based compensation costs	$ 37.6	$ —	$ 77.2	$ —

As of December 31, 2014, 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 2.8 years.

The following table summarizes the stock option activity for thesix months ended December 31, 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, 2014	230,787	$ 10.00	$ 407	$ 5.98
Granted through stock option plan	—	—		
Exercised	—	—		
Cancellations, expirations and forfeitures	(660)	48.02		
Outstanding at December 31, 2014	230,127	9.89	$ 213	$ 6.00
Shares exercisable at December 30, 2014	158,213	10.60	$ 155	$ 5.80

(1) For awards held by A-Mark employees, the fair value of the awards assumed in Distribution was based 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.

Following is a summary of the status of stock options outstanding atDecember 31, 2014:

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	7.85	$ 8.39	62,325	7.89	$ 8.44
10.01	15.00	95,888	7.71	12.00	95,888	7.71	12.00
		230,127	7.79	9.89	158,213	7.77	10.60

Restricted Stock Units

During the three and six months ended December 31, 2014 and 2013, 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

	Three Months Ended		Six Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
RSUs-based Compensation Cost related to Share Settleable in:				
SGI common stock	$ —	$ 36.8	$ —	$ 73.7
A-Mark common stock	22.6	—	45.1	—
Total RSUs based compensation costs	$ 22.6	$ 36.8	$ 45.1	$ 73.7

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 1.2 years.

The following table summarizes the RSU activity for thesix months ended December 31, 2014:

	Shares	Weighted Average Share Price at Grant Date [(1)]
Outstanding at June 30, 2014	106,674	$ 2.72
Shares granted	—	—
Shares released	—	—
Shares forfeited	—	—
Outstanding at September 30, 2014	106,674	$ 2.72
Vested but unissued at September 30, 2014	—	$ —

(1) For awards held by A-Mark employees, the fair value of the awards assumed in Distribution was based 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.

No tax benefit was recognized in thecondensed consolidated statements of income related to share-based compensation for thethree and six months ended December 31, 2014. No share-based compensation was capitalized for the three and six months ended December 31, 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 December 31, 2014, the Company had issued and outstanding 8,990 SARs with an average base price of $50.31, in connection with the spinoff. At December 31, 2014, there was no intrinsic value associated with these arrangements. The Company did not recognize any compensation expense related to these awards during the six months ended December 31, 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.

14. GEOGRAPHIC INFORMATION

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

in thousands

	Three Months Ended		Six Months Ended	
	December 31, 2014	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
Revenue by geographic region:				
United States	$ 1,345,428	$ 1,256,344	$ 2,658,914	$ 2,556,790
Europe	64,460	121,760	119,410	192,064
North America, excluding United States	110,057	100,502	181,836	177,268
Asia Pacific	18,732	9,206	30,044	56,533
Africa	25	—	25	—
Australia	167	879	2,106	2,029
South America	2	—	2	32
Total revenue	$ 1,538,871	$ 1,488,691	$ 2,992,337	$ 2,984,716

in thousands

	December 31, 2014	**June 30, 2014**
Inventories by geographic region:		
United States	$ 201,825	$ 159,145
Europe	9,475	10,500
North America, excluding United States	3,846	4,091
Asia	8,625	1,818
Total inventories	$ 223,771	$ 175,554

in thousands

	December 31, 2014	June 30, 2014
Total assets by geographic region:		
United States	$ 350,982	$ 285,092
Europe	10,485	14,137
North America, excluding United States	3,846	4,091
Asia	8,625	1,818
Total assets	$ 373,938	$ 305,138

in thousands

	December 31, 2014	June 30, 2014
Total long term assets by segment/geographic region:		
United States	$ 11,267	$ 9,726
Europe	80	89
Total long-term assets	$ 11,347	$ 9,815

15. SUBSEQUENT EVENT

Loan Portfolio Acquisition

On January 23, 2015, CFC assumed the rights to another portfolio of short-term loan receivables totaling $3.1 million for the aggregate principal amount of the loan portfolio from the same customer from whom CFC had entered into similar arrangements on June 5, 2014 and July 1, 2014. 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 (see Note 3).

ITEM 2. 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 Quarterly Report on Form 10-Q ("Form 10-Q") 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 quarterly 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 quarterly 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-Q.

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-Q. This discussion contains forward-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 Quarterly 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 accompanyingcondensed 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 quarter-end. Our inventory turnover ratio is a measure of how quickly inventory has moved during the past three and six 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 quarter-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 December 31, 2014. 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 condensed consolidated financial statements.
- *Recent accounting pronouncements*. This section discusses new accounting pronouncements, dates of implementation and impact on our accompanyingcondensed 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.

The Company recently formed a wholly-owned subsidiary, A-M Global Logistics, LLC, referred to as A-M Logistics, which will operate the Company's logistics fulfillment center based in Las Vegas, Nevada.

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, 2014. 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 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 logistical 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 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.

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.

RESULTS OF OPERATIONS

Overview of Results of Operations for the Three Months Ended December 31, 2014 and 2013

Condensed Consolidated Results of Operations

The operating results of our business for the three months ended December 31, 2014 and 2013 are as follows:

in thousands, except per share data and performance metrics

Three Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Revenue	$ 1,538,871	100.000 %	$ 1,488,691	100.000 %	$ 50,180	3.4 %
Gross profit	7,193	0.467 %	7,872	0.529 %	(679)	(8.6)%
Selling, general and administrative expenses	(4,754)	(0.309)%	(4,503)	(0.303)%	251	5.6 %
Interest income	1,398	0.091 %	1,365	0.092 %	33	2.4 %
Interest expense	(969)	(0.063)%	(889)	(0.060)%	80	9.0 %
Unrealized gains (losses) on foreign exchange	(75)	(0.005)%	24	0.002 %	(99)	NM
Net income before provision for income taxes	2,793	0.182 %	3,869	0.260 %	(1,076)	(27.8)%
Provision for income taxes	(1,131)	(0.074)%	(1,621)	(0.109)%	(490)	(30.2)%
Net income	$ 1,662	0.108 %	$ 2,248	0.151 %	$ (586)	(26.1)%
Per Share Data:						
Basic (1)	$ 0.24	NA	$ 0.29	NA	$ (0.05)	(17.2)%
Diluted (1)	$ 0.24	NA	$ 0.29	NA	$ (0.05)	(17.2)%
Performance Metrics:						
Inventory turnover ratio (2)	8.0	NA	8.8	NA	(0.8)	(9.1)%
Number of secured loans at quarter-end (3)	123	NA	136	NA	(13)	(9.6)%

NM Not meaningful.

NA Not applicable.

(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 loans to customers by our CFC financing subsidiary at quarter-end.

Overview of Results of Operations for the Six Months Ended December 31, 2014 and 2013

Condensed Consolidated Results of Operations

The operating results of our business for the six months ended December 31, 2014 and 2013 are as follows:

in thousands, except per share data and performance metrics

Six Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Revenue	$ 2,992,337	100.000 %	$ 2,984,716	100.000 %	$ 7,621	0.3 %
Gross profit	12,923	0.432 %	14,901	0.499 %	(1,978)	(13.3)%
Selling, general and administrative expenses	(8,973)	(0.300)%	(8,151)	(0.273)%	822	10.1 %
Interest income	2,875	0.096 %	2,822	0.095 %	53	1.9 %
Interest expense	(2,032)	(0.068)%	(1,877)	(0.063)%	155	8.3 %
Unrealized gains (losses) on foreign exchange	(84)	(0.003)%	60	0.002 %	(144)	NM
Net income before provision for income taxes	4,709	0.157 %	7,755	0.260 %	(3,046)	(39.3)%
Provision for income taxes	(1,909)	(0.064)%	(3,141)	(0.105)%	(1,232)	(39.2)%
Net income	$ 2,800	0.094 %	$ 4,614	0.155 %	$ (1,814)	(39.3)%
Per Share Data:						
Basic [(1)]	$ 0.40	NA	$ 0.60	NA	$ (0.20)	(33.3)%
Diluted [(1)]	$ 0.40	NA	$ 0.59	NA	$ (0.19)	(32.2)%
Performance Metrics:						
Inventory turnover ratio [(2)]	14.9	NA	18.4	NA	(3.5)	(19.0)%
Number of secured loans at quarter-end [(3)]	123	NA	136	NA	(13)	(9.6)%

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NM Not meaningful.

NA Not applicable.

(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 loans to customers by our CFC financing subsidiary at quarter-end.

Revenues

Three Months Ended December 31, 2014 Compared to Three Months Ended December 31, 2013

Three Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Revenue	$ 1,538,871	100.000%	$ 1,488,691	100.000%	$ 50,180	3.4%

Revenues for the three months ended December 31, 2014 increased $50.2 million, or 3.4%, to $1.539 billion from $1.489 billion in 2013. 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 three months ended December 31, 2014 as compared to 2013. Another factor constraining the increase in our revenues was the decrease of commodity prices for both gold and silver during the three months ended December 31, 2014 as compared to 2013.

Six Months Ended December 31, 2014 Compared to Six Months Ended December 31, 2013

Six Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Revenue	$ 2,992,337	100.000%	$ 2,984,716	100.000%	$ 7,621	0.3%

Revenues for the six months ended December 31, 2014 increased $7.6 million, or 0.3%, to $2.992 billion from $2.985 billion in 2013. 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 six months ended December 31, 2014 as compared to 2013. Another factor constraining the increase in our revenues was the decrease of commodity prices for both gold and silver during the six months ended December 31, 2014 as compared to 2013.

Gross Profit

Three Months Ended December 31, 2014 Compared to Three Months Ended December 31, 2013

Three Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Gross profit	$ 7,193	0.467%	$ 7,872	0.529%	$ (679)	(8.6)%
Inventory turnover ratio	8.0	NA	8.8	NA	(0.8)	(9.1)%

Gross profit for the three months ended December 31, 2014 decreased by $0.7 million, or 8.6%, to $7.2 million from $7.9 million in 2013. The Company's profit margin percentage decreased primarily due to lower premium spreads on the Company's primary products. Our inventory turnover rate decreased by 9.1% to 8.0 from 8.8 as compared to 2013. 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, which resulted in the Company carrying higher inventory levels in foreign locations at lower turnover rates, and a strategic increase in our inventory levels as compared to inventory levels in 2013.

Six Months Ended December 31, 2014 Compared to Six Months Ended December 31, 2013

Six Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Gross profit	$ 12,923	0.432%	$ 14,901	0.499%	$ (1,978)	(13.3)%
Inventory turnover ratio	14.9	NA	18.4	NA	(3.5)	(19.0)%

Gross profit for the six months ended December 31, 2014 decreased by $2.0 million, or 13.3%, to $12.9 million from $14.9 million in 2013. The Company's profit margin percentage decreased primarily due to lower premium spreads on the Company's primary products, offset by sales of higher margin value-added products. Our inventory turnover rate decreased by 19.0% to 14.9 from 18.4 as compared to 2013. 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, which resulted in the Company carrying higher inventory levels in foreign locations at lower turnover rates, and a strategic increase in our inventory levels as compared to inventory levels in 2013.

Selling, General and Administrative Expenses

Three Months Ended December 31, 2014 Compared to Three Months Ended December 31, 2013

Three Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Selling, general and administrative expenses	$ (4,754)	(0.309)%	$ (4,503)	(0.303)%	$ 251	5.6%

Selling, general and administrative expenses for the three months ended December 31, 2014 increased $0.3 million, or 5.6%, to $4.8 million from $4.5 million in 2013. The increase is primarily due to the operational cost of a logistic center established to provide fulfillment services to our customers, as well as administrative expenses associated with being a public company, including the addition of key personnel and legal and accounting fees and expenses. The Company is proceeding with its plans to relocate and expand its logistics center in Las Vegas, Nevada, and signed a warehouse lease agreement in November 2014.

Six Months Ended December 31, 2014 Compared to Six Months Ended December 31, 2013

Six Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Selling, general and administrative expenses	$ (8,973)	(0.300)%	$ (8,151)	(0.273)%	$ 822	10.1%

Selling, general and administrative expenses for the six months ended December 31, 2014 increased $0.8 million, or 10.1%, to $9.0 million from $8.2 million in 2013. The increase is primarily due to the operational cost of a logistic center established to provide fulfillment services to our customers, as well as administrative expenses associated with being a public company, including the addition of key personnel and legal and accounting fees and expenses. The Company is proceeding with its plans to relocate and expand its logistics center in Las Vegas, Nevada, and signed a warehouse lease agreement in November 2014.

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.

Three Months Ended December 31, 2014 Compared to Three Months Ended December 31, 2013

Three Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Interest income	$ 1,398	0.091%	$ 1,365	0.092%	$ 33	2.4 %
Number of secured loans at quarter-end	123	NA	136	NA	(13)	(9.6)%

Interest income for the three months ended December 31, 2014 increased $0.03 million, or 2.4%, to $1.40 million from $1.37 million in 2013. Interest income increased slightly as a despite a decline in the number of our outstanding secured loans, which decreased by 9.6% to 123 from 136 in 2013. This 9.6% decrease in the number of secured loans was primarily due to downward pressures on precious metals commodity prices, which resulted in margin calls and secured loan position being liquidated by some customers. This impact was offset by higher average borrowings per borrower.

Six Months Ended December 31, 2014 Compared to Six Months Ended December 31, 2013

Six Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Interest income	$ 2,875	0.096%	$ 2,822	0.095%	$ 53	1.9 %
Number of secured loans at quarter-end	123	NA	136	NA	(13)	(9.6)%

Interest income for the six months ended December 31, 2014 increased $0.05 million, or 1.9%, to $2.88 million from $2.82 million in 2013. Interest income increased slightly as a despite a decline in the number of our outstanding secured loans, which decreased by 9.6% to 123 from 136 in 2013. This 9.6% decrease in the number of secured loans was primarily due to downward pressures on precious metals commodity prices, which resulted in margin calls and secured loan position being liquidated by some customers. This impact was offset by higher average borrowings per borrower.

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.

Three Months Ended December 31, 2014 Compared to Three Months Ended December 31, 2013

Three Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Interest expense	$ (969)	(0.063)%	$ (889)	(0.060)%	$ 80	9.0%

Interest expense for the three months ended December 31, 2014 increased $0.08 million, or 9.0% to $0.97 million from $0.89 million in 2013. The increase was related primarily to usage of our product financing arrangements. 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.

Six Months Ended December 31, 2014 Compared to Six Months Ended December 31, 2013

Six Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Interest expense	$ (2,032)	(0.068)%	$ (1,877)	(0.063)%	$ 155	8.3%

Interest expense for the six months ended December 31, 2014 increased $0.16 million, or 8.3% to $2.03 million from $1.88 million in 2013. The increase was related primarily to usage of our product financing arrangements. 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.

Three Months Ended December 31, 2014 Compared to Three Months Ended December 31, 2013

Three Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Provision for income taxes	$ (1,131)	(0.074)%	$ (1,621)	(0.109)%	$ (490)	(30.2)%

Our provision for income taxes was $1.1 million and $1.6 million for the three months ended December 31, 2014 and 2013, respectively. Our effective tax rate was approximately 40.5% and 41.9% for the three months ended December 31, 2014 and 2013, respectively. Our effective tax rate differs from the federal statutory rate due to permanent adjustments for nondeductible items and state taxes.

Six Months Ended December 31, 2014 Compared to Six Months Ended December 31, 2013

Six Months Ended December 31,	2014		2013		$	%
	$	% of revenue	$	% of revenue	Increase/(decrease)	Increase/(decrease)
Provision for income taxes	(1,909)	(0.064)%	(3,141)	(0.105)%	(1,232)	(39.2)%

Our provision for income taxes was $1.9 million and $3.1 million for the six months ended December 31, 2014 and 2013, respectively. Our effective tax rate was approximately 40.5% and 40.5% for the six months ended December 31, 2014 and 2013, respectively. Our effective tax rate differs from the federal statutory rate due to permanent adjustments for nondeductible items and state taxes.

FINANCIAL LIQUIDITY

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 December 31, 2014, approximately 95% 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.

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 credit line so as to minimize interest expense.

Lines of Credit

in thousands

	December 31, 2014	June 30, 2014	December 31, 2014 Compared to June 30, 2014
Lines of credit	$ 151,000	$ 135,200	$ 15,800

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.

Effective September 12, 2014, the Company obtained a permanent increase in its demand Trading Credit Facility through the addition of a sixth institutional participant, which is providing $50.0 million in demand lines. As of December 31, 2014, the maximum of the Trading Credit Facility was $220.0 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 0.17% and 0.15% as of December 31, 2014 and June 30, 2014, respectively. Borrowings are due on demand and totaled $151.0 million and $135.2 million at December 31, 2014 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 $19.5 million and $14.4 million at December 31, 2014 and June 30, 2014, respectively. The Trading Credit Facility also limits A-Mark's ability to pay dividends. The Trading Credit Facility is cancelable by written notice from the financial institutions.

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 December 31, 2014. The Company's ability to pay dividends, if it were to elect to do so, could be limited as a result of these restrictions.

Through October 8, 2014, the Trading Credit Facility contained a a sub-facility that the Company and SNI (a related party) was able to be drawn on. A-Mark and SNI could draw up to $20.0 million and $5.0 million, respectively, under the sub-facility; provided that the maximum amount that was permitted to be outstanding at any given time could not exceed $23.0 million. Amounts available for borrowing under this sub-facility as of December 31, 2014 and June 30, 2014 were $0.0 million and $3.3 million, respectively. On October 8, 2014, SNI paid off its obligations under the sub-facility in full utilizing funds drawn from its line of credit with CFC, and SNI no longer has any right to draw upon the sub-facility (see Note 3).

Liability on Borrowed Metals

in thousands

	December 31, 2014	June 30, 2014	December 31, 2014 Compared to June 30, 2014
Liability on borrowed metals	$ 5,684	$ 8,709	$ (3,025)

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 $5.7 million and $8.7 million at December 31, 2014 and at June 30, 2014, respectively.

Product Financing Agreement

in thousands

	December 31, 2014	June 30, 2014	December 31, 2014 Compared to June 30, 2014
Product financing agreement	$ 80,660	$ 24,610	$ 56,050

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 $80.7 million and $24.6 million as of December 31, 2014 and June 30, 2014, respectively.

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 condensed consolidated statements of cash flows for the three months ended December 31, 2014 and 2013:

in thousands

December 31,	2014	2013	2014 Compared to 2013
Net cash (used in) provided by operating activities	$ (80,287)	$ 1,112	(81,399)
Net cash provided by (used in) investing activities	$ 357	$ (614)	971
Net cash provided by (used in) financing activities	$ 71,850	$ (7,048)	78,898

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) provided by operating activities

Operating activities used $80.3 million and provided $1.1 million in cash for the six months ended December 31, 2014 and 2013, respectively, representing an increase of $81.4 million in the use of cash compared to six months ended December 31, 2013. This period over period increase in the of use of funds in operating activities was primarily due to change in balances of inventory, accounts receivables, income tax receivable, income tax payable, deferred taxes and accrued liabilities, offset by source of funds primarily due the change balance of accounts payable and liabilities on borrowed metals.

Net cash provided by (used in) investing activities

Investing activities provided $0.4 million and used $0.6 million in cash for the six months ended December 31, 2014 and 2013, respectively, representing an increase of $1.0 million in the source of cash compared to six months ended December 31, 2013. This period over period increase was primarily due to principal collections on our secured loan transactions of $1.9 million, which was driven, in part, by the downward movement of precious metals commodity prices that resulted in margin calls and secured loan position being liquidated by some customers, offset by a use of funds related the acquisition of a cost method investment of $1.1 million.

Net cash provided by (used in) financing activities

Financing activities provided $71.9 million and used $7.0 million in cash for the six months ended December 31, 2014 and 2013, respectively, representing an increase of $78.9 million in the source of cash compared to six months ended December 31, 2013. This period over period increase in the source of funds provided by financing activities was primarily due the changes in our lines of credit of $4.8 million and changes in the balance of product financing arrangements of $69.1 million that was primarily related to our strategic increase in our inventory levels, which was partially offset by reduction in dividends paid of $5.0 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.

CONTRACTUAL OBLIGATIONS, CONTINGENT LIABILITIES AND COMMITMENTS

Contractual Obligations

Refer to Note 12 of the Notes to Consolidated Financial Statements in the 2014 Annual Report for information relating to minimum rental payments under operating and capital leases, consulting and employment contracts, and other 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 11 in the accompanying condensed consolidated financial statements and see Item 3 *Quantitative and Qualitative Disclosure about Market Risk* in Part 1of this Quarterly Report. 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 December 31, 2014 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 ASC 815, *Derivatives and Hedging.* 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 3, 7 and 11 to the accompanying condensed 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 condensed consolidated statements of income.

Net gains (losses) on derivative instruments in the condensed consolidated statements of income for the three months ended December 31, 2014 and 2013 were $(28.2) million and $7.6 million, respectively. Net gains (losses) on derivative instruments in the condensed consolidated statements of income totaled $(34.5) million and $(10.0) million for the six months ended December 31, 2014 and 2013, respectively. (see Note 11**)**.

The following table summarizes the results of our hedging activities as follows atDecember 31, 2014 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:

	December 31, 2014	June 30, 2014
Inventory	$ 223,771	$ 175,554
Less unhedgable inventory:		
Commemorative coin inventory, held at lower of cost or market	(394)	(2,564)
Premium on metals position	(4,653)	(3,285)
Inventory value not hedged	(5,047)	(5,849)
Subtotal	218,724	169,705
Commitments at market:		
Open inventory purchase commitments	441,431	489,944
Open inventory sales commitments	(204,389)	(190,108)
Margin sale commitments	(13,073)	(15,751)
In-transit inventory no longer subject to market risk	(11,136)	(4,522)
Unhedgable premiums on open commitment positions	2,410	1,694
Inventory borrowed from suppliers	(5,684)	(8,709)
Product financing obligation	(80,660)	(24,610)
Advances on industrial metals	3,141	8,813
Inventory subject to price risk	350,764	426,456
Inventory subject to derivative financial instruments:		
Precious metals forward contracts at market values	168,577	206,055
Precious metals futures contracts at market values	181,891	220,984
Total market value of derivative financial instruments	350,468	427,039
Net inventory subject to commodity price risk	$ 296	$ (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 December 31, 2014, 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 December 31, 2014 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	December 31, 2014	June 30, 2014
Purchase commitments	$ 441,431	$ 489,944
Sales commitments	$ (204,389)	$ (190,108)
Margin sale commitments	$ (13,073)	$ (15,751)
Open forward contracts	$ 168,577	$ 206,055
Open futures contracts	$ 181,891	$ 220,984
Foreign exchange forward contracts	$ 776	$ 2,684

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 condensed 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 condensed consolidated balance sheets (see Note 3 and Note 7).

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 11**)**. 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 condensed 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 condensed 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 Notes 1 and Note 2, *Description of Business* and *Summary of Significant Accounting Policies*, respectively, of the Notes to the accompanying condensed consolidated financial statements that are included in Item 1, *Financial Statements*, of this Quarterly 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 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 condensed consolidated balance sheets. The corresponding unrealized gains or losses are shown as a component of cost of sales in the condensed 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 condensed 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 condensed consolidated statements of income.

As of December 31, 2014 and June 30, 2014, the unrealized gains (losses) resulting from the difference between market value and cost of physical inventories were $(12.3) million and $3.8 million, respectively. The premium component of market value included in the inventories as of December 31, 2014 and June 30, 2014 totaled $4.7 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 December 31, 2014 and June 30, 2014, our commemorative coin inventory totaled $0.4 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 condensed consolidated balance sheets and totaled $5.7 million and $8.7 million as of December 31, 2014 and June 30, 2014, respectively. The Company mitigates market risk of its physical inventories through commodity hedge transactions (see Note 11).

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 condensed 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 condensed consolidated statements of income. Such obligation totaled $80.7 million and $24.6 million as of December 31, 2014 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 December 31, 2014 and June 30, 2014 totaled $4.0 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 terminate any such arrangement with 14 days notice. Upon termination the customer's rights to repurchase any remaining inventory is forfeited. As of December 31, 2014 and June 30, 2014, included within inventory is $39.6 million and $24.6 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 Step 0 assessment on our goodwill, totaling $4.9 million, and determined no impairment was necessary as of June 30, 2014.

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 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 condensed 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. When adjusting the amount of recognized tax benefits, we do not consider information that has become available after the balance sheet date, but do disclose the effects of new information whenever those effects would be material to our 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 condensed 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 8 to the accompanying condensed 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 condensed 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.

RECENT ACCOUNTING PRONOUNCEMENTS

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 June 2014, the FASB issued ASU No. 2014-11, *Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchases Financings, and Disclosures*, which requires that repurchase-to-maturity transactions be accounted for as secured borrowings consistent with the accounting for other repurchase agreements. In additions, the amendments require separate accounting for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty, which will result in secured borrowing accounting for the repurchase agreement. ASU No. 2014-11 is effective beginning annual periods beginning after December 15, 2014 and for interim periods beginning after March 15, 2015. We are currently evaluating the impact of our pending adoption of ASU No. 2014-11 on our consolidated financial statements.

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 standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU No. 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). We are currently evaluating the impact of our pending adoption of ASU No. 2014-09 on our consolidated financial statements and have not yet determined the method by which we will adopt the standard in 2017.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Price Risk

We are subject to commodity price risk through our principal business, the purchase and sale of precious metals in the form of gold, silver, platinum and palladium. We enter in to a combination of futures and forward transactions to substantially hedge our net exposure to changes in the underlying commodity prices. Consistent with the use of these contracts to neutralize the effect of commodity price fluctuations, such unrealized losses or gains are offset by corresponding gains or losses, respectively, in the remeasurement of the underlying transactions being hedged. When taken together, these forward and futures contracts and the offsetting underlying commitments do not create material market risk. As of December 31, 2014, we had $350.8 million in commodity price risk related entirely to our inventories and related commitments and $350.5 million in corresponding forwards and futures contracts. As of June 30, 2014, we had $426.5 million in commodity price risk related entirely to our inventories and related commitments and $427.0 million in corresponding forwards and futures contracts.

Foreign Currency Exchange Rate Risk

We are subject to foreign currency exchange rate risk relating to the sale of precious metals priced in foreign currencies. We use foreign currency forward contracts to hedge the price risk associated with firmly committed denominated receipts related to our ongoing business. Foreign currency forward contracts are sensitive to changes in foreign currency exchange rates. Consistent with the use of these contracts to neutralize the effect of exchange rate fluctuations, such unrealized losses or gains are offset by corresponding gains or losses, respectively, in the remeasurement of the underlying transactions being hedged. When taken together, these forward currency contracts and the offsetting underlying commitments do not create material market risk. As of December 31, 2014, we had $2.4 million in foreign currency denominated transactions and $0.8 million in foreign currency forward contracts. As of June 30, 2014, we had $3.8 million in foreign currency denominated transactions and $2.7 million in foreign currency forward contracts.

Interest Rate Risk

Interest under our Trading Credit Facility is based on short term (primarily LIBOR) based interest rates. An increase in LIBOR rates would increase our underlying interest expense. Such increases would likely be substantially offset by an increase in the rates charged for our finance products and services. Market risk is further mitigated due to the highly liquid nature of our inventories which allow us to significantly reduce our borrowings in a short period of time. As a result, an increase in interest rates does not create material market risk.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our Annual Report on Form 10-K, for the fiscal year ended June 30, 2014, did not include a report of management's assessment regarding internal control over financial reporting as of June 30, 2014 or an attestation report of the Company's registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for newly public companies.

However, we have established disclosure controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Our Chief Executive Officer and Chief Accounting Officer, which position constitutes our principal financial officer within the meaning of SEC regulations, have concluded that, as of June 30, 2013 and March 31, 2014, our disclosure controls and procedures were not effective. There have been no changes to these conclusions as of December 31, 2014.

In addition, the Company has in the past operated with inadequate and insufficient accounting and finance resources to ensure timely and reliable financial reporting. As a result of this material weakness, the Company's management has concluded that, as of June 30, 2013 and March 31, 2014, its internal control over financial reporting was not effective. To remediate this material weakness, during the year ended June 30, 2014, the Company:

- Determined the appropriate complement of corporate accounting and finance personnel required to ensure timely and reliable financial reporting;
- Hired the requisite additional personnel and with public company accounting and reporting experience; and
- Organized and designed our internal review and evaluation process to include more formal management oversight of the methods and review procedures utilized and the conclusions reached, including for purposes of evaluating and ensuring the sufficiency of accounting resources.

Management believes that these steps have remediated the material weakness we identified. However, our first assessment of the effectiveness of our internal control over financial reporting will not take place until as of the year ending June 30, 2015, and we can give no assurance that the measures we have taken have remediated the material weakness that we identified or that any additional material weaknesses will not arise in the future. We will continue to monitor the effectiveness of these and other processes, procedures and controls and will make any further changes management determines appropriate.

The existence of one or more other material weaknesses or significant deficiencies could result in errors in our financial statements, and substantial costs and resources may be required to rectify any internal control deficiencies. If we cannot produce reliable financial reports, investors could lose confidence in our reported financial information, the market price of our stock could decline significantly, we may be unable to obtain additional financing to operate and expand our business, and our business and financial condition could be adversely affected.

PART II - OTHER INFORMATION

ITEM 1. 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 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 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. As of December 31, 2014, the maximum available amount to borrow under the Trading Credit Facility was $220.0 million, our borrowings totaled$151.0 million drawn against the Trading Credit Facility, and the amounts available under the Trading Credit Facility was $19.5 million.

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 0.17% and 0.15% as of December 31, 2014 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.
- 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-Mark's top one customer represented 32.9% of revenues for the six months ended December 31, 2014. For the year ended June 30, 2014, A-Mark's top one customer represented 25.9% of our revenues. If our relationships with these customers deteriorated, or if we were to lose one or more of these customers, 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 gold could be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Although we maintain insurance on terms and conditions that we consider appropriate, we may not have adequate sources of recovery if our precious metals inventory is lost, damaged, stolen or destroyed, and recovery may be limited. Among other things, our insurance policies exclude coverage in the event of loss as a result of terrorist attacks or civil unrest.

Our 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.

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, and with three other employees, our president, a senior vice president and our chief operating officer. These employment agreements all expire at the end of fiscal 2016, other than the agreement with our president, which expires at the end of fiscal 2015. 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. These efforts 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. We may not be successful in implementing our growth initiatives, which could adversely affect our business.

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.

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.

We have developed and are in the process of implementing an electronic trading platform that will allow our customers to place orders with us using a computerized interface. The trading platform is operational and we are preceding to roll it out to our customers. While we believe that this platform will offer many advantages to us and our customers in terms of efficiency and ease of operation, there can be no assurance that we will be successful in implementing this platform in a manner that will be attractive to our customers or at all. Also, as in any new systems, we may experience operational difficulties with the platform in the early stages of its use, which could adversely affect relationships with our customers.

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 lead 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 sales 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.

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 will increase 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 newly public company, we will incur 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.

We have identified a material weakness in our internal control over financial reporting, and our business and stock price may be adversely affected if we do not adequately address this weakness or if we have other material weaknesses or significant deficiencies in our internal control over financial reporting.

The Company has in the past operated with inadequate and insufficient accounting and finance resources to ensure timely and reliable financial reporting. As a result of this material weakness, the Company's management has concluded that, as of June 30, 2013 and March 31, 2014, its internal control over financial reporting was not effective. To remediate this material weakness, during the fourth quarter of fiscal 2014, we:

- Determined the appropriate complement of corporate accounting and finance personnel required to ensure timely and reliable financial reporting;
- Hired the requisite additional personnel with public company accounting and reporting experience; and
- Organized and designed our internal review and evaluation process to include more formal management oversight of the methods and review procedures utilized and the conclusions reached, including for purposes of evaluating and ensuring the sufficiency of accounting resources.

Management believes that these steps have remediated the material weakness we identified. However, our first assessment of the effectiveness of our internal control over financial reporting will not take place until as of the year ending June 30, 2015, and we can give no assurance that the measures we have taken have remediated the material weakness that we identified or that any additional material weaknesses will not arise in the future. We will continue to monitor the effectiveness of these and other processes, procedures and controls and will make any further changes management determines appropriate.

The existence of one or more other material weaknesses or significant deficiencies could result in errors in our financial statements, and substantial costs and resources may be required to rectify any internal control deficiencies. If we cannot produce reliable financial reports, investors could lose confidence in our reported financial information, the market price of our stock could decline significantly, we may be unable to obtain additional financing to operate and expand our business, and our business and financial condition could be adversely affected.

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 will be required to document and test our internal control over financial reporting in order to satisfy the requirements of Section 404 of Sarbanes-Oxley, which will require annual management assessments of the effectiveness of our internal control over financial reporting, beginning with our Annual Report on Form 10-K for the year ending June 30, 2015.

Accordingly, we will be 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. We are in the process of enhancing our internal controls over financial reporting but there can be no assurance that our controls will function as intended.

The Company has determined that it qualifies as a smaller reporting company as of December 31, 2014. As such, it will not be categorized as an accelerated filer for the fiscal year ended June 30, 2015. Therefore, the Company will not be 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 be 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 or may choose not to pay dividends.

We cannot at this time predict whether our board will institute a policy of regular dividends. Further, our current credit arrangements contain restrictions on the payment of dividends. As a result, shareholders may not receive any 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 over45% 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.

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.

In July 2013, the Spanish judicial authorities determined to bring formal charges of indictment against certain persons formerly associated with Afinsa and SGI, including Mr. Manning. The charges include a civil demand for substantial monetary damages. On October 7, 2013, the Spanish court issued an order naming SGI as a party, on a secondary civil liability basis, to the proceedings. 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 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Regulation S-K Exhibit Table Item No.		Description of Exhibit
10.1	*	Air Cargo Center Lease, dated November 21, 2014, between MCP Cargo, LLC, as Landlord, and A-M Global Logistics, LLC, as Tenant.
31.1	*	Certification by the Chief Executive Officer Under Section 302 of the Sarbanes-Oxley Act of 2002
31.2	*	Certification by the Chief Financial Officer Under Section 302 of the Sarbanes-Oxley Act of 2002
32.1	*	Certification by Chief Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002
32.2	*	Certification by Chief Financial Officer 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

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: February 9, 2015	**A-MARK PRECIOUS METALS, INC.**
	By: */s/ Gregory N. Roberts*
	Name: Gregory N. Roberts
	Title: Chief Executive Officer
	(Principal Executive 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/ Gregory N. Roberts Gregory N. Roberts	Chief Executive Officer and Director *(Principal Executive Officer)*	**February 9, 2015**
/s/ Gianluca Marzola Gianluca Marzola	Chief Accounting Officer *(Principal Financial Officer)*	**February 9, 2015**

Exhibit 10.1

LIMITED LIABILITY COMPANY AGREEMENT

OF

A-M GLOBAL LOGISTICS, LLC

This Limited Liability Company Agreement (this "Agreement") of A-M GLOBAL LOGISTICS, LLC, (the "Company") is entered into effective as of October 15, 2014 by A-MARK PRECIOUS METALS, INC., a Delaware corporation as the initial sole member (the "Initial Member").

WHEREAS, A-M Global Logistics, LLC was formed by the filing of a Certificate of Formation with the Secretary of State of the State of Delaware on October 15, 2014 pursuant to and in accordance with the Delaware Limited Liability Company Act, Title 6 of the Delaware Code, Section 18-101 *et seq.*, as amended from time to time (the "Act").

NOW, THEREFORE, the Initial Member agrees as follows:

1. **Name; Certificates; Registered Agent and Registered Office.**

(a) The name of the limited liability company is A-M Global Logistics, LLC. The term "Members" shall include the Initial Member and persons subsequently admitted as members in accordance with Sections 10 and 12 of this Agreement.

(b) Thor Gjerdrum is hereby designated as an "Authorized Person" within the meaning of the Act, and has executed, delivered and filed the Certificate of Formation of the Company with the Secretary of State of the State of Delaware. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware, her powers as an Authorized Person ceased, and the Initial Member thereupon became the designated Authorized Person and shall continue as the designated Authorized Person within the meaning of the Act. The Initial Member shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

(c) The address of the registered office of the Company in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware are c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808.

2. **Term.** The term of the Company shall be unlimited, unless dissolved in accordance with the Act.

3 . **Purpose.** The Company is being formed for the purpose of engaging in any lawful act or activity for which a limited liability company may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing.

4. **Initial Member.** The name and the business address of the Initial Member are as listed on Schedule 1 hereto.

5. **Management.** The business and affairs of the Company shall be managed by the Members. The Members shall have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by a Member under the Act. Notwithstanding anything to the contrary in this Agreement, the Initial Member has the authority to bind the Company and is authorized to execute and deliver any document on behalf of the Company without any vote or consent of any other person or entity.

(a) The Company may have one or more of the following officers as determined by the Initial Member from time to time: President, Vice-President, Treasurer, and other officers the Initial Member may appoint from time to time. Any officer may be appointed and removed at will by the Initial Member, and shall perform those functions specified by the Initial Member.

(b) The Initial Member may appoint, employ or otherwise contract with those other persons or entities for the transaction of the business of the Company or the performance of services for or on behalf of the Company, as it shall determine in its sole discretion.

6 . **Capital Contributions.** The Initial Member has contributed to the Company certain amounts, in the form of cash, property or services rendered, or a promissory note or other obligation to contribute cash or property or to render services, as described on Schedule 2 hereto.

7 . **Additional Contributions.** The Members shall contribute to the Company such additional amounts, as determined by the Members.

8. **Allocation of Profits and Losses.** The Company's profits and losses shall be allocated in proportion to the capital contributions of the Members.

9. **Distributions.** Distributions shall be made to the Members at the times and in the aggregate amounts determined by the Members. Such distributions shall be allocated among the Members in the same proportion as their then capital account balances. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to a Member on account of its interest in the Company if such distribution would violate the Act or other applicable law.

10. **Transfers.** No Member shall, directly or indirectly, sell, transfer, assign, or otherwise dispose of or encumber its interest, in whole or in part, in the Company without the prior written consent of all Members, which consent may be given or withheld in the sole and absolute discretion of each Member. Upon the receipt of all Members' consent, pursuant to Section 18-704(a) of the Act, a transferee shall be admitted to the Company as a substituted member ("Substituted Member") upon agreement by such transferee to be bound by the terms of this Agreement. A Member shall cease to be a Member when the Member has transferred all such Member's interests in the Company to one or more transferees and all such transferees are or become admitted as Substituted Members.

11. **Non-Consensual Transfers.** To the fullest extent permitted by law, any purported transfer of any Member's interest in the Company not in compliance with Section 10 shall be null and void, regardless of any notice provided to the Company, and shall not create any obligation or liability of the Company to the purported transferee, and any person purportedly acquiring any interest in the Company purportedly transferred without the prior, written consent required by Section 10 shall not be entitled to admission to the Company as a Substituted Member.

12. **Admission of Additional Members.** One or more additional Members may be admitted to the Company with the consent of all of the Members upon agreement by such additional Members to be bound by this Agreement.

13. **Liability of Members.** The Members shall not have any liability for the obligations or liabilities of the Company, except to the extent provided in the Act.

14. **Exculpation; Indemnification.**

(a) To the fullest extent permitted under the Act, no Member, officer, employee, agent, manager, or representative of the Company or any affiliate of any of the foregoing (exclusive of any collective investment vehicle for which the Company acts as general partner, manager or investment manager) (each, an "Indemnified Person") shall be liable to the Company or any Member for any liabilities, obligations, losses, damages, fines, taxes and interest and penalties thereon, claims, demands, actions, suits, proceedings (whether civil, criminal, administrative, investigative or otherwise), costs, expenses and disbursements (including legal and accounting fees and expenses, costs of investigation and sums paid in settlement) of any kind or nature whatsoever, which may be imposed on, incurred by or asserted at any time against such Indemnified Person in any way related to or arising out of this Agreement, the Company or the management, administration, or activities of any Indemnified Person on behalf of the Company ("Claims and Expenses") incurred by reason of any action taken or omitted to be taken by such Indemnified Person in any way related to or arising out of this Agreement; *provided,* that the foregoing shall not relieve the Indemnified Person from liability for any claim and expense to the extent that it is determined by a final judgment of a court of competent jurisdiction (from which no further appeal may be taken) to be attributable to such Indemnified Person's bad faith or gross negligence. An Indemnified Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person (including, without limitation, a representative of a person in which the Company has invested) as to matters the Indemnified Person believes are within such other person's professional or expert competence and who, to the extent applicable, has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of assets, liabilities, profits or losses or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

(b) To the fullest extent permitted under the Act, the Company shall

indemnify, defend and hold harmless each of the Indemnified Persons from and against any and all Claims and Expenses, which may be imposed on, incurred by or asserted at any time against such

Indemnified Person in any way related to or arising out of this Agreement, the Company, or the management or administration of the Company or in connection with the business or affairs the Company or the activities of such Indemnified Person on behalf of the Company; *provided,* that no Indemnified Person shall be entitled to indemnification hereunder to the extent it shall have been determined by a final judgment of a court of competent jurisdiction (from which no further appeal may be taken) that the claims and expenses are attributable to such Indemnified Person's bad faith or gross negligence. The right of indemnification provided hereby shall not be exclusive of, and shall not affect, any other rights to which any Indemnified Person may be entitled and nothing contained in this Section 14(b) shall limit any lawful rights to indemnification existing independently of this Section 14(b). To the fullest extent permitted under the Act, the Company shall pay the expenses (including legal fees and expenses and costs of investigation) incurred by such Indemnified Person in defending any proceeding as such expenses are incurred by such Indemnified Person and in advance of the final disposition of such matter.

15. **Tax Status**. At all times that the Company has only one Member (who owns 100% of the limited liability company interests in the Company), it is the intention of the Member that the Company be disregarded as an entity separate from the member for federal, state, local and foreign income tax purposes and that the Company be treated for those purposes, but not for purposes other than taxation, a division of the member.

16. **Dissolution.**

(a) The Company shall dissolve and its affairs shall be wound up upon the first to occur of the following: (i) the unanimous written consent of the Members, (ii) at any time there are no members of the Company unless the Company is continued in accordance with the Act, or (iii) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

(b) The bankruptcy (as defined at Sections 18-101 and 18-304 of the Act) of a Member shall not cause such Member to cease to be a member of the Company and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

17. **Separability of Provisions.** Each provision of this Agreement shall be considered separable, and if, for any reason, any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.

18. **Amendments.** This Agreement may not be modified, altered, supplemented or amended except pursuant to a written agreement executed and delivered by the Members.

19. **Governing Law.** This Agreement shall be governed by, and construed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.

20. **Sole Benefit of Members.** Except as expressly provided in this Agreement, the provisions of this Agreement are intended solely to benefit the Members and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a third-party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the Company to make any contributions or payments to the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Agreement as of the date set forth above.

INITIAL MEMBER
A-MARK PRECIOUS METALS, INC.,
a Delaware corporation

By: /s/ Thor Gjerdrum
Thor Gjerdrum, COO

Exhibit 10.1

SCHEDULE 1

Member of A-M Global Logistics, LLC

Name	**Address**
A-Mark Precious Metals, Inc.	429 Santa Monica Boulevard, Suite 230 Santa Monica, California 90401

SCHEDULE 2

Capital Contributions of Initial Member

Name	Capital Contribution
A-Mark Precious Metals, Inc	$10.00

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Gregory N. Roberts, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended December 31, 2014 of A-Mark Precious Metals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	February 9, 2015	*/s/ Gregory N. Roberts*	
		Name:	Gregory N. Roberts
		Title:	Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Gianluca Marzola, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended December 31, 2014 of A-Mark Precious Metals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	February 9, 2015	*/s/ Gianluca Marzola*	
		Name:	Gianluca Marzola
		Title:	Chief Accounting Officer

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with A-Mark Precious Metals, Inc.'s (the "Company") Quarterly Report on Form 10-Q for the quarter ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date:	February 9, 2015	*/s/ Gregory N. Roberts*	
		Name:	Gregory N. Roberts
		Title:	Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with A-Mark Precious Metals, Inc.'s (the "Company") Quarterly Report on Form 10-Q for the quarter ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Accounting Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date:	February 9, 2015	*/s/ Gianluca Marzola*	
		Name:	Gianluca Marzola
		Title:	Chief Accounting Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.