

D950000000/3

XAU CORPORATION  
3741 South Le Jeune Road  
Miami, Florida 33146  
Tel. (305) 667-1600  
Fax (305) 669-9988

September 20, 1995

Secretary of State  
Division of Corporations  
New Filings  
Post Office Box 6327  
Tallahassee, FL 32314

400001597144  
-09/28/95--01072--005  
\*\*\*\*\*402.50 \*\*\*\*\*402.50

Re: THE GOLD TRUST

Dear Sir/Madam:

Enclosed please find the Declaration of Trust of THE GOLD TRUST, an accompanying affidavit, and a check for \$402.50. Please forward a certified copy of registration to the above address upon acceptance for filing. Thank you for your attention to this matter.

Sincerely Yours,

*William J. Murphy III*

WILLIAM J. MURPHY III

295A-00045099

FILED  
95 SEP 28 AM 9:04  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

REGISTER OCT 5 1995

**AFFIDAVIT IN SUPPORT OF FILING  
DECLARATION OF TRUST**

**FILED**  
95 SEP 28 AM 9:06  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

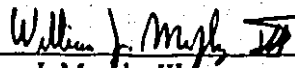
State of Florida     )  
                                  )  
County of Dade     )

I, WILLIAM J. MURPHY III, the undersigned being duly sworn, state upon personal knowledge and belief and under penalty of perjury, the truth of the following:

The name of the trust created by the Declaration Of Trust is THE GOLD TRUST. The accompanying Declaration Of Trust is a true and correct copy of the original document. The initial grantors of the trust are:


Mr. William J. Murphy III, Chairman  
Mr. Richard Branca

The address of the initial grantors and of the business office of the trust is: 3741 South Le Jeune Road, Miami, FL 33146. The registered agent of the trust shall be William J. Murphy III, 3741 South Le Jeune Road, Miami, FL 33146. This trust is organized for the purpose of doing any lawful business under Florida Statutes, Chapter 609.

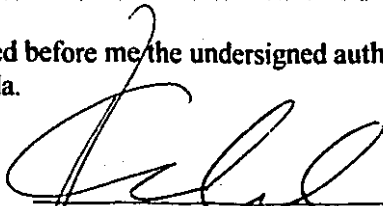
  
\_\_\_\_\_  
William J. Murphy III

**ACCEPTANCE OF DESIGNATED REGISTERED AGENT**

I HEREBY CERTIFY that I am familiar with and accept the obligations of the position of Registered Agent for THE GOLD TRUST under Section 617.0501, Florida Statutes.

  
\_\_\_\_\_  
William J. Murphy III

SWORN TO and subscribed before me the undersigned authority, this 20th day of September, 1995, at Miami, Florida.

  
\_\_\_\_\_  
Notary Public, State of Florida



Kevin Whitehead  
My Comm Exp. 7/12/98  
Bonded By Service Inc  
No. CC391734  
11/20/95

**Declaration of Trust**  
**"THE GOLD TRUST"**

**FILED**  
95 SEP 28 AM 9:06  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

THIS DECLARATION OF TRUST is made this 20th day of September, 1995, among the Grantors (known hereafter as the "Beneficiaries") as evidenced by their signatures affixed below or to the attached Addendum(s) To Declaration Of Trust. The Declaration Of Trust is as follows:

*1. Classification of organization.*

This Declaration of Trust is intended to create a common law trust under Florida Statutes, Chapter 609, otherwise known as a "business" or "Massachusetts" trust, and not a partnership or a joint-stock association or a corporation.

*2. Transfer to Trustee.*

The Beneficiaries transfer to the Trustee all of their right, title, and interest in the initial and subsequent capital contributions and after acquired property. The Trustee shall hold the initial capital contributions, all property thereafter acquired, and all income and profits (collectively the "Trust Property"), in trust, and shall manage, administer, collect, and dispose of the Trust Property for the benefit of persons who acquire shares of beneficial interest in the Trust (the "Beneficiaries"). The Beneficiaries grant full responsibility for and control of the Trust's operations to the Trustee.

*3. Name of Organization*

The Trust created hereunder shall be called THE GOLD TRUST.

*4. Purpose and Scope of Activities*

The Trustee, in the name of the Trust, shall engage principally in the purchase and resale of rare gold coins and also in general business activity, and shall perform all acts it considers necessary in furtherance of such activity. The powers and duties of the Trustee are more specifically set forth, as follows: to undertake or engage in

commercial business or other ventures; to purchase or otherwise acquire personal property, specifically rare coins and other collectibles, precious metals including but not limited to gold and silver bullion, jewelry and related products, at auctions, merchandise shows, private and estate sales, and through other outlets, and to sell, exchange, mortgage, grant a security interest in, pledge, or in any manner deal with the Trust Property or any part thereof or any interest therein, upon such terms and for such consideration as they deem proper; to incur indebtedness, borrow or lend money with or without security, execute, accept, discount, negotiate, and deal in commercial paper and evidences of indebtedness, and execute any contracts for purchase or sale of rare coins, collectibles, precious metals, and related products. However, in no event shall the total indebtedness of the Trust exceed twenty per cent (20%) of the total assets of the Trust.

#### *5. Relationship with Trustee*

It is the intention of the Grantors that a mutually beneficial business relationship be formed between the Trust and its Trustee's principal business known as Leveraged Gold Network (LGN). LGN is in the business of buying and distributing rare gold coins and other gold products, via direct marketing. Various buyers will be employed on behalf of the Trust, who will purchase merchandise as herein described for sale. It is anticipated and expected that the buyer(s) will be compensated via a percentage (typically 25%, but subject to negotiation and change) of the difference between the purchase price and the sale price, and that said buyer(s) whose interests will be identical to the interests of the Trust, will buy at the lowest possible price and sell at the highest possible price to LGN or other outlets. The assent of the buyer(s) of the merchandise for sale will be necessary to the completion of any sale to LGN. It is also contemplated and expected that Trust Property will be sold to LGN at prevailing market prices which take into account the volume of sales. In any sales transaction from the Trust to LGN, the Trust will be guaranteed a gross profit of three per cent (3%). Trustee shall have the right to sell Trust Property for the Trust at market price to any entity not within its direct marketing network. It is understood and explicitly stated that LGN has made no guarantee or agreement to purchase any particular Trust Property. It is in the interest of the Trust that LGN develop and expand outlets, including its direct marketing network for sale of gold merchandise, in order to increase demand and sales of Trust merchandise.

#### *6. Location*

The principal business office of the Trust shall be located initially at 3741 South Le Jeune Road, Coconut Grove, Miami, Florida 33146. The principal business office of the Trust shall be located in the State of Florida.

#### 7. Duration

This Trust shall have existence for a term of five (5) years from the date of execution of the Declaration of Trust. At the end of which time the Trustees shall liquidate the Trust and return the investment on a *pro rata* share basis with any undistributed net profits to the Beneficiaries. If the Trustee and the Beneficiaries are in agreement, the life of the Trust may be extended by appropriate amendment of this Declaration of Trust.

#### 8. Shares of beneficial interest.

Beneficial interest in the Trust shall consist of equal shares, each with an par value of \$1,000.00. Initial purchase of shares shall be in lots of no less than twenty-five. The Trustees shall issue certificates ("share certificates") to the purchasers of shares in such form as the Trustees deem proper, evidencing the beneficial interests of the purchasers. The purchasers shall be the Beneficiaries of the Trust, and shall be bound by the provisions of this Declaration of Trust. The shares shall entitle the Beneficiaries to participate in all dividends and other distributions of income or principal, as this Declaration of Trust shall require.

Each Beneficiary will share in dividends or other distributions in the proportion which the number of shares owned by him bears to the total number of shares issued and outstanding. Each share issued and outstanding shall entitle the holder thereof to one vote on all matters properly placed before the Beneficiaries for their vote. No Beneficiary shall have the right to ask for partition of the Trust Property during the existence of this Trust. No Beneficiary shall have any interest in any portion of the Trust Property, and shall have only an interest in dividends and other distributions as per this Declaration of Trust. Upon three days written notice the accounts and books of the Trust shall be open for the inspection of any Beneficiary or his/her representative.

#### 9. Structure

At no time shall the number of Beneficiaries exceed the number of thirty-five (35). It is the intention of the creators of this trust that the trust shall not engage in any activity inconsistent with the status of a Sub Chapter "s" corporation, in the event that the Internal Revenue Service should rule that this trust should be taxed as a corporation. It is the intention of the creators of this trust that income shall be passed through to the Beneficiaries, and that income tax on the profits of the trust will be paid by the Beneficiaries and Trustee and buyer(s) in their individual entities. It is further the intention to forgo and refrain from any activity which would require this trust to register with the SEC or the State of Florida or any other state as a public

company. The Trustee shall take all steps necessary to maintain the status of the Trust as private and non-public under the self-executing exemption under Florida Statute 517.061(11)(a) and similar provisions of federal law.

#### *10. Transfer of Shares*

A Beneficiary may transfer a share certificate in person or by a duly authorized attorney. The transferee shall surrender the share certificate, duly endorsed for transfer, to the Trustee, who shall execute a new certificate representing the share or shares transferred. By acceptance of a share certificate transferred to him or any share certificate issued in its place, the transferee shall become a Beneficiary, and shall be bound by the provisions of this Declaration of Trust. No transfer shall be binding upon the Trustee until it has been recorded on the transfer books of the Trust.

#### *11. Continuation of Trust*

The death, insolvency, or incompetency of a Beneficiary, or the transfer of shares of beneficial interest, shall not terminate the Trust, or entitle the legal representative of the Beneficiary, or the transferee, to any accounting or to any legal action against the Trust Property or the Trustee. Upon the death, insolvency, or incompetency of a Beneficiary, his legal representative shall succeed as a Beneficiary, and shall be bound by the provisions of this Declaration of Trust.

#### *12. Limitation of Liability*

The Beneficiaries shall not be made personally liable by any act or omission of the Trustee. All persons dealing with the Trustee, or with any agent of the Trustee, shall look only to the Trust Property for the payment of any sum due as a result of their dealing. In every instrument executed by the Trustee creating an obligation of any kind, the Trustee shall stipulate that neither it nor the Beneficiaries shall be held to any personal liability under the instrument.

#### *13. Meetings of Beneficiaries*

An annual meeting of Beneficiaries shall be held at 12 noon on the first Monday in January in each year, or on the following day if such Monday is a legal holiday, at the principal business office of the trust. In addition, the Trustee shall call special meetings of the Beneficiaries at such times as they consider advisable. Written notice of every meeting, specifying the time, place, and the purpose, shall be sent by

registered or certified mail to the Beneficiaries 15 days prior to the holding of the meeting. A notice addressed to a Beneficiary at the address listed in the register of the Trustee shall be sufficient notice under this paragraph. The owners of one half of the issued and outstanding shares of beneficial interest, or their proxies, shall constitute a quorum for the purposes of any meeting, and a majority of the shares represented and voting at the meeting shall control on any issue considered at the meeting, except as otherwise specifically provided herein.

#### *14. Appointment of Trustee*

The Grantors hereby appoint the XAU Corporation, a Florida for profit corporation, as Trustee under this instrument. If at any time said Trustee is unable or unwilling to serve as Trustee, a substitute or successor Trustee shall be appointed by majority vote of the Beneficiaries in proportion to the number of shares held. Except as otherwise expressly indicated, each substitute or successor Trustee shall have all the powers and immunities herein given to the original Trustee. All the Trustee(s) named above or hereafter shall serve without bond.

#### *15. Capitalization, Profits, and Fee Structure*

It is the intention of the Grantors that the initial capitalization of the trust shall be at least one hundred thousand dollars (\$100,000.00). It is intended that investment in the Trust will be for at least one year's time, and restrictions on profits for capital withdrawn before one year's time will be imposed. Profits shall be calculated after all reasonable and usual business expenses are deducted. Such expenses shall include but not be limited to insurance, legal and accounting fees, document and government fees, shipping, telephone, courier, security, travel and entertainment necessary to buy and sell merchandise, finder fees, buyer or buying representative fees and costs (subject to change but anticipated to be 25% of gross profit--the difference of sale price minus purchase price minus direct expenses--for compensation of the buyer or buyers per completed transaction). Business expenses will normally be prorated over the calendar year. In that the Trust will begin to operate on or about October 1, 1995, business expenses for the first fifteen months of operation will be prorated over the period beginning on or about October 1, 1995, through December 31, 1996. Thereafter, the proration period will run from January 1 through December 31. The Trustee shall not receive any salary or guarantee. The Trustee's compensation shall be based solely upon its performance. If net profit to the Beneficiaries is less than twelve per cent (12%) per annum, the Trustee shall take no fee for its services.

The original Beneficiaries shall receive 75% of the net profits with 25% of the profits going to the Trustee as its fee for serving as same and for its active management of the trust. If the net profit exceeds a 50% per cent net annual return for any calendar year, after the 50% return has been paid to the original Beneficiaries, for the

remaining life of the Trust the profits will be paid 50% to the original Beneficiaries, with 50% to the Trustee as its fee.

Subsequent Beneficiaries who join and contribute to the Trust after the initial formation shall receive 75% of the net profits with 25% of the profits going to the Trustee as its fee for serving as same and for its active management of the Trust. If the net profit exceeds a 25% per cent net annual return for any calendar year, after the 25% return has been paid to the subsequent Beneficiaries, for the remaining life of the Trust the profits will be paid 50% to the subsequent Beneficiaries, with 50% to the Trustee as its fee.

Profits will be paid on a quarterly basis after all sales of trust property. No profit shall be calculated, and no entitlement to any share of profits shall be vested, until the property is sold and the subsequent quarter reached. Quarter begin January 1, April 1, July 1, and October 1. Each Beneficiary shall have the right upon written notice to the Trustee to receive, as per this section, all profits at the end of each quarter or without such written notice, to allow said profits to continue with the trust for reinvestment in lots of \$1,000.00. Any odd amount (defined for this purpose as an amount less than one thousand dollars) in profits shall be paid quarterly to the Beneficiary in any case.

Additional capital can be invested by any Beneficiary at any time in lots of one thousand dollars (\$1,000.00). When additional capital is invested, the entitlement to profits for additional capital will be calculated upon all transactions which occur and expenses which occur or are pro rated to the period after the receipt and bank clearance of the additional capital on a *pro rata* basis per share. No guarantee of any specific rate of return shall be made or is made by this Declaration of Trust or any Trust representative to any potential or present Beneficiary. The Trustee has the right to refuse to accept capital contributions and has the right to return capital on a *pro rata* basis to Beneficiaries if in its judgment, capital cannot be put to efficient use. Funds not currently invested in merchandise will be held in a high yield money market account.

Shares and any accumulated profits may be withdrawn at the beginning of any quarter with ninety days written notice to the Trustee. Dates for withdrawal shall be January 1, April 1, July 1, and October 1, of each calendar year. Any shares withdrawn in less than one calendar year (365 days) shall be subject to an adjusted maximum return of twenty-five per cent (25%). Example: On a \$25,000 capital contribution, profits have been paid and withdrawn in the amount of \$10,000.00 in nine months time. The Beneficiary having given proper notice for withdrawal of the initial investment would receive the sum of \$22,250, a total of \$31,250.00, representing the initial investment with a 25% return.




*16. Powers of Trustee*

The Trustee shall have absolute and exclusive power and authority to manage the Trust Property and to conduct the Trust business, exercisable without the consent of the Beneficiaries, to the same extent as if the Trustee was the owner of the property and business, and limited only as specifically set forth in this Declaration of Trust. The Trustee's powers shall include, but shall not be limited to or by, all necessary acts to carry out the mandate of this Declaration of Trust. In all dealings with the Trust it is expected that the Trustee will use good faith and due diligence to pursue the interests of the Trust. If Trustee shall be in compliance with its duties as set out in this Declaration of Trust it shall have no liability, except in case of negligence, to the Trust or Beneficiaries or any third party in any civil action of law or equity.

*17. Amendment*

Amendment of this Declaration of Trust may be considered at any properly convened meeting of the Beneficiaries. The affirmative vote of the holders of shares entitling them to exercise three quarters of the voting power of the Trust shall be necessary to adopt any such amendment. The effective date of this Declaration of Trust shall be upon execution of same by the initial Beneficiaries. The Trustee shall immediately register the Trust with the office of the Florida Secretary of State under Florida Statute 609.02.

IN WITNESS whereof the parties have signed and sealed this instrument as evidenced by their signatures below or as affixed to any Addendum(s) To Declaration Of Trust, on the day and year indicated.

  
William J. Murphy III, Grantor

**FILED**  
95 SEP 28 AM 9:06  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA