

CONSIGNMENT AND SECURITY AGREEMENT

This consignment and security agreement ("Agreement") made as of the date set on the account application ("Application") or the memorandum consignment ("Memo") or the invoice, whichever established first ("Document"), between Forest Diamonds, Inc., whose principal place of business is at 30 West 47th Street, Suite 1002, New York, NY 10036, United States. ("Forest"), and the entity named on the Document as the consignee ("Consignee"), and the person named as the guarantor on the Document and/or acting as guarantor of the Consignee ("Guarantor"). relates to the delivery of diamonds and/or gems and/or jewelry and/or precious metals and/or related Items or any other goods ("Merchandise") on consignment, by Forest to the Consignee ("Delivered Merchandise"). A Memo of Forest describing the Delivered Merchandise shall accompany such consignment.

BEFORE YOU CONTINUE, YOU SHOULD PRINT OFF OR SAVE A LOCAL COPY OF THIS AGREEMENT FOR YOUR RECORDS.

For the good and valuable consideration, receipt of which is hereby acknowledged, including any Delivered Merchandise, Forest and Consignee hereby agree as follows:

This Agreement at minimum shall be binding upon Consignee and shall be applicable with respect to any and all Delivered Merchandise whether prior to the Document date, as of the Document date or at any time after. The terms and conditions of this Agreement shall for all purposes be deemed incorporated in each Memo of Forest accompanying such Delivered Merchandise as if set forth at length therein. Either shall evidence consignee's receipt of Merchandise: (a) the signature of acceptance of the Delivered Merchandise by any officer, employee or agent of the Consignee on the Memo accompanying such Merchandise; or (b) the delivery record(s) of the express delivery carrier or messenger service used by Forest; or (c) by the actual acceptance of any Merchandise by any officer, employee or agent of the Consignee. In this case, the Consignee understands and agrees that Forest will treat the acceptance of any Merchandise as acceptance of the Agreement from that point onwards. Consignee agrees that such signature or delivery record(s) or other proof of the acceptance of Merchandise from Forest shall be final and binding on Consignee and shall not be subject to further dispute. Any Merchandise delivered to Consignee is only for examination and inspection by Consignee or prospective purchasers of Consignee and until payment in full is made and received by Forest, title to the Merchandise shall remain the sole and exclusive property of Forest. Consignee shall derive no rights of ownership, of any kind, as a result of any delivery of Merchandise.

In order to obtain and hold an account with Forest, the Consignee agrees to provide information about him (such as identification and contact details and legal compliance). The Consignee agree that any registration information that the Consignee give to Forest will always be accurate, correct and up to date.

Consignee agree to use the Merchandise only for purposes that are permitted by (a) the Agreement and (b) any applicable law, regulation or generally accepted practices or guidelines in the relevant jurisdictions.

Consignee warrants, represents and agrees that consignee has sufficient "self risk" insurance in effect with a reputable insurer to cover the full value of the Merchandise and any other obligations hereunder. It is further agreed and warranted by the consignee, that, Forest may make claim upon consignee's insurer(s) and any of consignor's policies for any loss hereunder. In any such claim, consignee and its officers, directors, stockholders or employees and any one that may be subject to their control shall fully cooperate with Forest and/or Forest's representatives and attorneys and perform all actions: execute all instruments, attend meetings, trials and hearings and testify at all proceedings when requested without remuneration of any kind. Any insurance claim by consignee or under its policy or policies wherefore described shall be settled and adjusted exclusively with, and paid to the Forest to the extent of the consignor's interest, hereunder which shall include all obligations and thereafter accruing interest, attorney's fees, disbursements and consequential damages. Further, the proceeds of any claim(s) on the consignee's insurance or up on the consignee's insurer(s) which is assigned to consignor to the extent of consignee's full liability for all its obligations under this agreement. If the consignor is required to bring any action against consignee and or its insurer(s), the consignee agrees to pay consignor an additional amount in and for consideration of all Legal fees, court related costs and expenses.

Consignee agrees that it has no right or authority, of any kind, to sell, consign, pledge, mortgage, assign, transfer, hypothecate, encumber, dispose or in any manner, to transfer title or possession of the Merchandise to any other party without the prior written consent of Forest.

Regardless of any other transaction or trade-customs, no credit of any kind is being extended with respect to the consignment of the Delivered Merchandise.

Upon delivery of the Merchandise to Consignee, in the event the Merchandise is lost, damaged or stolen, whether by Consignee or any other party, regardless whether or not such party was under Consignee's control (and regardless of the extent of any such loss, damage or theft), Consignee shall immediately notify Forest as provided for below and Consignee shall, within five (5) days after such loss, damage or theft, pay to Forest by good funds in U.S. dollars at the prices set forth on the Memo, for each and every piece of lost, stolen, damaged or stolen Merchandise. Such payment by Consignee shall represent an indemnification of Forest and does not constitute a sale of the Merchandise. Upon payment by Consignee to Forest for the full amount of any such lost, damaged or stolen Merchandise, Consignee shall then become the owner of any Merchandise which may be recovered and shall retain any such Merchandise. Consignee: (i) will not represent to any third party that any of the Merchandise is the property of Consignee until Consignee has made payment in full thereof to Forest; (ii) shall promptly notify all of its creditors that the Merchandise does not belong to the Consignee; and (iii) will at its own cost and expense keep the Merchandise free and clear of all claims, liens, charges, encumbrances, taxes and license fees.

Upon demand by Forest, at any time, Consignee shall immediately return to Forest, by a recognized overnight express delivery service and at Consignee's expense, all Merchandise of Forest on consignment in the possession of Consignee, in its original condition and fully insured. Merchandise shall not be removed from the unique packaging supplied by Forest. Consignee agrees that such packed goods are unique and identifiable and such goods shall not be commingled or intermingled with any other goods.

Any sale of all or any portion of the Merchandise by Consignee to a third party shall only be made as provided for herein and the proceeds of the sale shall be segregated by Consignee and held in trust by Consignee for the payment to Forest of any amounts due to Forest. Forest shall be notified within 24 hours of any such sale and Forest shall then send an invoice ("Invoice") to Consignee which shall be paid by Consignee strictly in accordance with the terms of such Invoice. Shipping and handling costs for the Merchandise shall be paid by Consignee regardless of the outcome. All payments are due and payable to Forest at its principal place of business set above.

GENERAL RESALE CERTIFICATE for business operating in the state of California or New York or where applicable Consignee hereby represents that: (a) he hold valid seller's permit issued pursuant to the Sales and Use Tax Law (provide your seller's permit number on your account application). (b) that he is engaged in the business of selling diamonds, gems, jewelry, precious metals and related Items. (c) that ANY MERCHANDISE THAT THE CONSIGNEE SHALL PURCHASE FROM FOREST WILL BE RESOLD by him in the form of tangible personal property; provided, however that in the event any of such property is used for any purpose other than retention, demonstration, or display while holding it for sale in the regular course of business, it is understood that the Consignee may be required by Sales and Use Tax Law (or the applicable laws in the Consignees business jurisdiction), to report and pay tax, measured by the purchase price of such Merchandise or other authorized amount. Description of property to be purchased: Diamonds, Gems, Jewelry, Precious metals and Related Items.

Consignee acknowledge and agree that Forest (or Forest's licensors) own all legal right, title and interest in and to the Merchandise, including any intellectual property rights which subsist in the Merchandise or services provided by Forest (whether those rights happen to be registered or not, and wherever in the world those rights may exist). Consignee further acknowledge that the Merchandise or services may contain exclusive knowledge, which is designated confidential by Forest, and that the Consignee shall not disclose such information without Forest's prior written consent.

Unless Consignee have agreed otherwise in writing with Forest, nothing in the Agreement gives Consignee a right to use any of Forest's trade names, trade marks, service marks, logos, domain names, and other distinctive brand features. Consignee will not use any trade mark, service mark, trade name, logo of any company or organization in a way that is likely or intended to cause confusion about the owner or authorized

user of such marks, names or logos. The Consignee agrees not to reproduce, duplicate or copy the unique Merchandise or services for any purpose.

In the event that Forest is required to commence any legal or collection action, of any kind, with respect to enforcing any of the terms and conditions of this Agreement, including, without limitation, the loss, damage or theft of the Merchandise as described herein or the failure of Consignee to pay Forest in accordance with the terms and conditions of any Invoice given by Forest to Consignee, Consignee agrees to pay Forest any and all reasonable legal fees, collection fees, filing fees, court costs and other expenses incurred by Forest in connection with such failure by Consignee to make payment to Forest.

Notwithstanding any other terms and conditions in this Agreement, in the event that any payment due from Consignee to Forest pursuant to this Agreement is not received by Forest as provided for hereunder, then in addition to all other rights and remedies available to Forest under law and hereunder, Forest shall be entitled to be paid by the Consignee a one time fee for past due account processing not to exceed two hundred and fifty dollars (250 USD) for each invoice not paid within the terms, and a finance charge not to exceed one and one half (1.5 %) percent per month or eighteen (18%) percent per annum (but in no event to exceed the maximum allowable rate under applicable law) on the unpaid balance due Forest from Consignee.

The Consignee and the Guarantor agrees that if Forest does not exercise or enforce any legal right or remedy which is contained in the Agreement (or which Forest has the benefit of under any applicable law), this will not be taken to be a formal waiver of Forest's rights and that those rights or remedies will still be available to Forest.

The Guarantor executing the Agreement represents and warrants that he is a principal of Consignee and agrees in his individual capacity that he is absolutely, unconditionally and irrevocably guaranteeing to Forest as a primary obligor, the due and prompt performance of all obligations and liabilities of Consignee hereunder, including, without limitation, the due and punctual payment by Consignee of all monies now or hereafter due to Forest under this Agreement. Guarantor acknowledges that Forest would not enter into this Agreement except for the guarantee of Guarantor herein. Guarantor expressly waives any and all rights and defenses to which Guarantor or Consignee may otherwise be entitled to under any laws in effect at that time. This guaranty by Guarantor is a continuing guarantee of payment and not a guarantee of collection. Guarantor waives any and all presentments, demands for performance, notices of protest, notices of dishonor and notices of acceptance of the guaranty made by Guarantor hereunder.

Consignee hereby agrees that this Agreement grants to Forest an irrevocable and continuing security interest in any and all Merchandise heretofore or which may hereafter be delivered on consignment by Forest to Consignee and the proceeds of any sale or other disposition of the Merchandise by Consignee, whether in breach of this Agreement or otherwise. Forest may execute, on behalf of Consignee, all instruments, including financing statements and certificates necessary to perfect and/or file a security interest under the laws of any state and under the Uniform Commercial Code ("UCC") without notice to Consignee and without Consignee's signature. Upon breach by Consignee of any of the terms and conditions of this Agreement or under any of the Invoices of Forest which may be issued pursuant hereto, Forest shall have all of the rights and remedies of a secured creditor under the UCC, including without limitation, the right to foreclose the security interest on the Merchandise or proceeds thereof by any judicial procedure or take possession of the Merchandise, including the proceeds thereof from any sale.

Consignee shall not assign any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without obtaining the prior written consent of Forest. Subject to the foregoing, all of the provisions of this Agreement shall be binding upon Consignee and be enforceable by Forest and its respective successors and assigns. Consignee and Guarantor, jointly and severally, agrees that, from time to time, each will execute and deliver any and all additional and supplemental agreements, documents, and instruments, and do such other acts as may be necessary or desirable, in the sole opinion of Forest, to carry out the intents and purposes of this Agreement and consummation of the transactions contemplated hereby and thereby.

This Agreement constitutes the entire agreement between the parties hereto, relating to the matters set forth herein and supersedes any prior oral and/or written agreements, understandings, negotiations or discussions of the parties or any trade customs or practices. No supplement, modification, waiver, or termination of this Agreement or any provision hereof shall be binding unless executed in writing by the parties to be bound thereby. Any waiver by a party of any violation of, breach of or default by any other party under any

provision of this Agreement, shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement.

The Consignee and the Guarantor agrees that Forest may provide the any of them with notices, including but not limited to those regarding changes to the Agreement, by email, regular mail, as set on the Application or postings on a Memo, Invoice or statement. All notices and other communications between the Consignee or the Guarantor to Forest relating to this Agreement shall be in writing, and shall be sent by overnight express delivery service, or delivered by hand to Forest's principal place of business set above. Such notice shall be deemed effective on the date delivered.

Forest may have subsidiaries and affiliated legal entities around the world ("Subsidiaries and Affiliates"). Sometimes, these companies will be providing the services and or Merchandise to Consignee on behalf of Forest itself. Consignee acknowledges and agrees that Subsidiaries and Affiliates will be entitled to provide the services to Consignee. Consignee acknowledge and agree that each Subsidiaries and Affiliates entity shall be third party beneficiaries to the Agreement and that such other companies shall be entitled to directly enforce, and rely upon, any provision of the Agreements terms which confers a benefit on (or rights in favor of) them. Other than this, no other person or company shall be third party beneficiaries to the Agreement.

The invalidity or enforceability of any paragraph, term, or provision hereof in no way shall affect the validity or enforceability of the remaining paragraphs, terms, or provision hereof. In addition, in any such event, the parties agree that it is their intention and agreement that any such paragraph, term, or provisions which is held or determined to be unenforceable as written, shall nonetheless be in force and binding to the fullest extent permitted by law, as though such paragraph, term, or provision had been written in such a manner and to such an extent as to be enforceable under the circumstances. If any court of law, having the jurisdiction to decide on this matter, rules that any provision of the Agreement is invalid, then that provision will be removed from the Agreement without affecting the rest of the Agreement. The remaining provisions of the Agreement will continue to be valid and enforceable.

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. An executed facsimile or copy of this Agreement shall be deemed for all purposes under this Agreement and otherwise to have the same legal effect as a manually executed original of this Agreement.

Forest may make changes to the Agreement or other terms from time to time. When these changes are made, Forest will make a new copy of the Agreement available at <http://www.forestdiamonds.com/terms.pdf> and any new Additional Agreement will be made available to Consignee from within, or through, the affected transactions.

Consignee understand and agree that if Consignee accept any Delivered Merchandise after the date on which the Agreement was updated or changed, Forest will treat the acceptance the Merchandise as acceptance of the updated Agreement.

This Agreement is delivered and made in New York, New York. This Agreement shall be governed and construed under the laws of the State of New York without giving effect to any choice of law or conflict of law provisions or rules (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

Each of the parties hereto consents to the jurisdiction of the Supreme Court of the State of New York and the Federal District Court for the Southern District of New York for all purposes in connection with the enforcement of any rights arising hereunder. Each of the parties hereto further consents that any process or notice of motion or other application of either of said courts or judge thereof, or any notice in connection with any proceedings hereunder, may be served inside or outside the State of New York or the Southern District of New York by registered or certified mail, return receipt requested, or by personal service, provided 35 days, from the date of delivery, for appearance is allowed, or in such other manner as may be permissible under the rules of said courts. Notwithstanding this, the Consignee agrees that Forest shall still be allowed to apply for injunctive remedies (or an equivalent type of urgent legal relief) in any jurisdiction. This paragraph shall control with respect to the enforcement of any rights hereunder.

April 12, 2009