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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarter ended September 30, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from _______ to _____

Commission file number 1-34240

COLLECTORS UNIVERSE, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**33-0846191**
(State or other jurisdiction of Incorporation or organization)	**(I.E. Employer Identification No.)**

1610 E. Saint Andrew Place, Santa Ana, California, 92705
(address of principal executive offices and zip code)

Registrant's telephone number, including area code: (949) 567-1234

Not Applicable
(Former name, former address and former fiscal year, if changed, since last year)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol	Name of each Exchange on which registered
Common Stock, par value $.001 per share	CLCT	NASDAQ Global Market

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer☐	Accelerated filer☒
Non-accelerated filer ☐	Smaller reporting company☒
	Emerging growth company☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 31, 2019
Common Stock $.001 Par Value	9,231,143

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2019
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PART 1 – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, except per share data)
(Unaudited)

	September 30, 2019	June 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 21,300	$ 19,225
Accounts receivable, net of allowance of $80 and $72 at September 30, and June 30, 2019, respectively	2,694	2,408
Inventories, net	2,119	1,965
Prepaid expenses and other current assets	1,414	1,400
Total current assets	27,527	24,998
Property and equipment, net	7,025	7,259
Operating lease right-of-use assets	9,423	-
Goodwill	2,083	2,083
Intangible assets, net	2,343	2,329
Deferred income tax assets	561	561
Other assets	458	463
Total assets	$ 49,420	$ 37,693
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,294	$ 2,540
Accrued liabilities	1,861	1,873
Accrued compensation and benefits	3,015	4,095
Current portion of long-term debt	750	750
Operating lease liabilities, current	2,264	-
Income taxes payable	1,288	608
Deferred revenue	3,412	3,428
Total current liabilities	15,884	13,294
Long Term Debt	1,500	1,688
Operating lease liabilities, non-current	10,782	-
Deferred rent	-	3,764
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $.001 par value; 3,000 shares authorized; no shares issued or outstanding	-	-
Common stock, $.001 par value; 20,000 shares authorized; 9,231 and 9,153 issued and outstanding at September 30, and June 30, 2019, respectively.	9	9
Additional paid-in capital	87,607	87,343
Accumulated deficit	(66,362)	(68,405)
Total stockholders' equity	21,254	18,947
Total liabilities and stockholders' equity	$ 49,420	$ 37,693

See accompanying notes to condensed consolidated financial statements.

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,			
	2019		2018	
Net revenues	$	20,210	$	17,495
Cost of revenues		8,101		7,202
Gross profit		12,109		10,293
Operating expenses:				
Selling and marketing expenses		2,633		2,808
General and administrative expenses		4,839		4,658
Total operating expenses		7,472		7,466
Operating income		4,637		2,827
Interest income and other expense, net		71		3
Income before provision for income taxes		4,708		2,830
Provision for income taxes		1,095		699
Net Income		3,613	$	2,131
Net income per share:				
Basic	$	0.40	$	0.24
Diluted	$	0.40	$	0.24
Weighted average shares outstanding:				
Basic		8,973		8,933
Diluted		9,060		8,962
Dividends declared per common share	$	0.175	$	0.175

See accompanying notes to condensed consolidated financial statements.

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance at June 30, 2018	9,015	$ 9	$ 86,369	$ (72,110)	$ 14,268
Stock-based compensation – restricted stock	45	-	263		263
Net income	-	-	-	2,131	2,131
Dividends paid	-	-	-	(1,564)	(1,564)
Balance at September 30, 2018	9,060	9	86,632	(71,543)	15,098
Stock-based compensation – restricted stock	61	-	205	-	205
Net income	-	-	-	1,481	1,481
Dividends paid	-	-	-	(1,566)	(1,566)
Balance at December 31, 2018	9,121	9	86,837	(71,628)	15,218
Stock-based compensation – restricted stock	27	-	252	-	252
Net income	-	-	-	3,559	3,559
Dividends paid	-	-	-	(1,565)	(1,565)
Balance at March 31, 2019	9,148	9	87,089	(69,634)	17,464
Stock-based compensation -restricted stock	5	-	254	-	254
Net income	-	-	-	2,806	2,806
Dividends paid	-	-	-	(1,577)	(1,577)
Balance at June 30, 2019	9,153	9	87,343	(68,405)	18,947
Stock-based compensation -restricted stock	78	-	264	-	264
Net income	-	-	-	3,613	3,613
Dividends paid	-	-	-	(1,570)	(1,570)
Balance at September 30, 2019	9,231	$ 9	$ 87,607	$ (66,362)	$ 21,254

See accompanying notes to condensed consolidated financial statements.

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 3,613	$ 2,131
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization expense	710	742
Stock-based compensation expense	264	263
Non-cash lease expense	(141)	-
Provision (recovery) for bad debts	8	(6)
Provision for inventory write-down	2	4
Provision for warranty	41	112
Change in operating assets and liabilities:		
Accounts receivable	(294)	277
Inventories	(156)	64
Prepaid expenses and other	(13)	418
Other assets	6	14
Accounts payable and accrued liabilities	713	(126)
Accrued compensation and benefits	(1,081)	(731)
Income taxes payable	680	693
Deferred revenue	(16)	(215)
Deferred rent	-	250
Net cash provided by operating activities	4,336	3,890
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(211)	(297)
Capitalized software	(279)	(194)
Net cash used in investing activities	(490)	(491)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments under Term Loan	(188)	-
Dividends paid to common stockholders	(1,583)	(1,786)
Net cash used in financing activities	(1,771)	(1,786)
Net increase in cash and cash equivalents	2,075	1,613
Cash and cash equivalents at beginning of period	19,225	10,581
Cash and cash equivalents at end of period	$ 21,300	$ 12,194

See accompanying notes to condensed consolidated financial statements.

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In Thousands)
(Unaudited)

	Three Months Ended September 30,	
	2019	**2018**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	$ 35	$ 37
Income taxes paid during the period	$ 376	$ 6

See accompanying notes to condensed consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying unaudited interim condensed consolidated financial statements include the accounts of Collectors Universe, Inc. and its operating subsidiaries (the "Company", "we", "us", or "our"). At September 30, 2019, our operating subsidiaries were Certified Asset Exchange, Inc. ("CAE"), Collectors Universe (Hong Kong) Limited, Collectors Universe (Shanghai) Limited, Collectors Universe (Japan) Limited, and Expos, LLC. ("Expos"), all of which are ultimately 100% owned by Collectors Universe, Inc. All significant intercompany transactions and accounts have been eliminated in consolidation.

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 Operations, Condensed Consolidated Statements of Stockholders' Equity and Condensed Consolidated Statements of Cash Flows for the periods presented in accordance with generally accepted accounting principles as in effect in the United States of America ("GAAP"). Operating results for the three months ended September 30, 2019 are not necessarily indicative of the results that may be expected for the year ending June 30, 2020 or for any other interim period during such year. Certain information and footnote disclosures normally included in financial statements prepared in accordance with 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 Company's 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, 2019, as filed with the SEC (our "Fiscal 2019 10-K"). Amounts related to disclosure of June 30, 2019 balances within these interim condensed consolidated financial statements were derived from the aforementioned audited consolidated financial statements and the notes thereto.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation.

Leases

Effective July 1, 2019 the Company adopted Accounting Standards Codification ("ASC") 842 *Accounting for Leases*. The core principle of this guidance is that a lessee should recognize the assets and liabilities that arise from leases. Therefore, the Condensed Consolidated Balance Sheet at September 30, 2019, includes a liability to make lease payments (the lease liability) and a right-of-use asset, representing our right to use the underlying asset for the lease term. We elected not to recognize lease assets and liabilities for leases with a term of 12 months or less and are recognizing lease expenses for such leases on a straight-line basis over the lease term. The Company adopted this new accounting guidance, utilizing the current period adoption method without revising comparative periods and elected not to reassess existing leases. There was no material impact on the Company's operating results arising from adopting this new guidance. See "*Note 9-Leases*" for additional information.

Revenue Recognition

The core principle of ASC 606, *Revenue from Contracts with Customers*, is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying ASC 606, all revenue transactions must be evaluated using a five-step approach to determine the amount and timing of revenue to be recognized. The five-step approach requires (1) identifying the contract with the customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract and (5) recognizing revenue when performance obligations are satisfied.

Our primary source of revenue is the authentication and grading of collectibles, which represented about 90% of our consolidated revenues in the three months ended September 30, 2019. Our other sources of revenues represent the balance of our revenues and are small and less than 5% individually. In accordance with ASC 606 we recognize revenue for our main revenue streams as follows:

Authentication and Grading Revenues: As the time it takes to authenticate and grade the collectible is short, we recognize revenue at the time of shipment (i.e. point of time) of the authenticated graded collectible to the customer, net of any taxes collected. Due to the insignificant delay between the completion of our authentication and grading services and the shipment of the collectible back to the customer, the time of shipment corresponds to the completion of our services. We recognize revenue for the sale of special coin inserts at the time the customer takes legal title to the insert. Many of our authentication and grading customers prepay our authentication and grading fees when they submit their collectibles to us for authentication and grading. We record those prepayments as deferred revenue until the collectibles have been authenticated and graded and shipped back to them. At that time, we record the revenues from the authentication and grading services we have performed for the customer and deduct this amount from deferred revenue. For certain dealers to whom we extend credit, we record revenue at the time of shipment of the authenticated and graded collectible to the dealer. We provide a limited warranty covering the coins and trading cards that we authenticate and grade. See *Warranty Costs* below.

Collectors Club Revenues: These revenues represent membership fees paid by customers for annual memberships in our Collectors Club. Those membership fees entitle members to access our on-line and printed publications and, depending on their membership level, to receive vouchers for authentication and grading services during the membership period. We allocate revenue between the vouchers and the membership. We recognize revenue attributable to the authentication and grading vouchers consistent with our Authentication and Grading services above. The balance of the membership fees is recognized ratably over the life of the membership. Memberships are paid in advance of the membership period and prepaid memberships fees are classified as deferred revenue. In the event vouchers expire unused (i.e. there are unexercised customer rights), we consider the guidance under ASC 606 in determining when to recognize revenue.

Certified Coin Exchanges Subscription Revenues: We recognize subscription revenues related to our CCE exchange for certified coins, ratably over the relevant subscription period. Subscriptions are typically billed and paid on a monthly basis, although certain quarterly and annual subscriptions can be paid in advance. Prepaid subscriptions are classified as part of deferred revenue.

Expos Trade Show Revenue: We recognize fees earned from promoting, managing, and operating trade shows in the periods in which the shows take place. Trade show booth fees are typically paid to us in advance. Certain fees that are paid to conduct auctions at the show are paid to us at the end of the show. Prepaid show fees are classified as part of deferred revenue.

Advertising and Commission Revenues: Advertising revenues are recognized in the period when an advertisement is displayed in our publications or websites and customers typically have 30 day credit terms. Click-through commission revenues earned through our websites from third party affiliate programs are recognized in the period in which the commissions are earned, and such commissions are paid in the following month.

Coin Sales: Coin sales consist primarily of sales of collectibles coins that we have purchased pursuant to our coin authentication and grading warranty program. We recognized revenues from coin sales when they are shipped or delivered to customers or if the coins are sold through auction, when the auction settles. However, those sales are not considered to be focus of or an integral part of the Company’s on going revenue generating activities.

Contract Balances. As discussed above, the timing of revenue recognition can differ from the timing of invoicing to customers. Contract liabilities are comprised of billings or payments received from our customers in advance of performance under the contract. We refer to these contract liabilities as “Deferred Revenue” in the accompanying condensed consolidated balance sheets. During the three months ended September 30, 2019, we recognized $1,748,000 in revenue from the deferred revenue balance of $3,428,000 at June 30, 2019.

Shipping and Handling Costs

Shipping and handling costs incurred to process and return customer collectibles submitted to us for grading or authentication are recorded as costs of revenues, net of amounts received from customers, in accordance with the guidance for Principals versus Agents as set out in ASC 606.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from results expected on the basis of those estimates, and such differences could be material to our future results of operations and financial condition. Examples of such estimates that could be material include determinations made with respect to the capitalization and recovery of software development costs, the valuation of stock-based compensation awards and the timing of the recognition of related stock-based compensation expense, the valuation of coin inventory, the amount and assessment of goodwill for impairment, the sufficiency of warranty reserves and the provision or benefit for income taxes and related valuation allowances.

Goodwill and Other Long-Lived Assets

We evaluate the carrying value of goodwill and indefinite-lived intangible assets at least annually, or more frequently if facts and circumstances indicate that impairment may have occurred. Qualitative factors are considered in performing our goodwill impairment assessment, including the significant excess of fair value over carrying value in prior years, and any material changes in the estimated cash flows of the reporting unit. We also evaluate the carrying values of all other tangible and intangible assets for impairment if circumstances arise in which the carrying values of these assets may not be recoverable on the basis of future undiscounted cash flows. We determined that no impairment of goodwill or other long-lived assets existed as of September 30, 2019.

During the first quarter ended September 30, 2019, we completed the annual goodwill impairment assessment with respect to the goodwill acquired in our fiscal year 2006 purchases of CCE and CoinFacts. We assessed qualitative factors, including the significant excess of their fair values over carrying value in prior years, and any material changes in the estimated cash flows of the reporting units, and determined that it was more likely than not that the fair values of CCE and CoinFacts were greater than their respective carrying values, including goodwill.

Foreign Currency

The Company has determined that the U.S. Dollar is the functional currency for its French branch office and its Hong Kong, Japan and China subsidiaries. Based on this determination, the Company’s foreign operations are re-measured by reflecting the financial results of such operations as if they had taken place within a U.S. dollar-based economic environment. Fixed assets and other non-monetary assets and liabilities are re-measured from foreign currencies to U.S. dollars at historical exchange rates; whereas cash, accounts receivable and other monetary assets and liabilities are re-measured at current exchange rates. Gains and losses resulting from those re-measurements, which are included in income for the current period, were not material.

Stock-Based Compensation

We recognize stock-based compensation attributable to service-based equity grants over the service period based on the grant date fair values of the awards. For performance-based equity grants with financial performance goals, we begin recognizing compensation expense based on their respective grant date fair values when it becomes probable that we will achieve the financial performance goals.

Restricted Stock Awards: 2020 and 2019 Long Term Incentive Plans ("LTIPs")

Retention Restricted Service Shares ("RSUs")

To create incentives for the officers and other key employees ("LTIP Participants") to remain in the Company's service, RSUs were granted to them as follows:

Annual Grants. A total, net of forfeitures, of 25,952 and 44,763 RSUs were granted in fiscal 2020 and 2019, respectively, with vesting in three annual installments on the last day of the fiscal years following the grants, with the vesting of each such installment contingent on the Participant remaining in the continuous service of the Company through the vesting date of that installment.

If a Participant's continuous service with the Company ceases, for any reason whatsoever, including a termination of the Participant's employment with or without cause, prior to any vesting date or dates, the then unvested RSUs will be forfeited.

Fiscal 2020 and 2019 Performance Restricted Shares ("PSUs")

To create incentives for the LTIP Participants to focus their efforts on the achievement of increases in net cash flows (defined as net cash generated by the Company's operating activities, minus capital expenditures and capitalized software costs), during the three years ending June 30, 2021 and 2022, (the "Performance Periods"), in fiscal 2020 and 2019, the Compensation Committee granted 51,905 and 89,542 PSUs (at maximum) respectively, to LTIP Participants. Vesting of the PSUs was made dependent upon the achievement of net cash flows on an annual basis for performance periods, subject to possible downward or upward adjustment of 20% of the PSUs, based on a comparison of the Company's annualized total shareholder return ("TSR") for each Performance Period, to the annualized TSR of the Russell 2000 Index, for the same Performance Period. Threshold, target and maximum net cash flow goals were established for fiscal years 2020 and 2019. Grant dates will be established for future year's PSUs early in those fiscal years which will give rise to grant dates for expense recognition purposes.

For any of the PSUs to vest, a Participant must remain in the continuous service of the Company through June 30, 2021 for the fiscal 2019 PSUs and June 30, 2022 for the fiscal 2020 PSUs, and the threshold net cash flows goal must be achieved in at least one of the years, in the three year Performance Period. Stock-based compensation expense of $77,000 was recognized in the three months ended September 30, 2019 for these PSUs. There was no expense for PSUs in the three months ended September 30, 2018.

Total stock-based compensation expense for all unvested RSUs and PSUs in the three months ended September 30, 2019 was $264,000 as compared to $263,000 in the three months ended September 30, 2018.

Concentrations

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

Financial Instruments and Cash Balances. At September 30, 2019, we had cash and cash equivalents totaling approximately $21,300,000, of which approximately $16,827,000 was invested in money market accounts, and the balance of $4,473,000 (which is inclusive of cash in overseas bank accounts) was held in non-interest bearing bank accounts for general day-to-day operations. Cash in overseas bank accounts was approximately $1,707,000 at September 30, 2019 of which $927,000 was in China. We plan to remit excess cash from China in accordance with Chinese exchange control regulations. Due to those exchange control regulations in China, delays can be experienced in transferring funds from China.

Substantially all of our cash in the United States is deposited at one FDIC insured financial institution. We maintained cash due from banks, inclusive of cash in overseas accounts, in excess of the bank's FDIC insured deposit limits of approximately $18,732,000 at September 30, 2019.

Revolving Credit Line. As previously reported, in January 2017 we obtained a three-year, $10,000,000 unsecured revolving credit line from a commercial bank to enhance the Company's liquidity and to support the growth of the Company's business. We are entitled to obtain borrowings under the credit line at such times and in such amounts as we may request, provided that the maximum principal amount of credit line borrowings that may be outstanding at any one time may not exceed $10,000,000. We also may repay outstanding borrowings in whole or in part at any time or from time to time and reborrow amounts based upon availability under the line of credit, except that no borrowings may be outstanding under the credit line during a 30 consecutive day "out of loan" period each year. Borrowings bear interest, at the Company's option, at LIBOR plus 2.25% or at 0.25% below the highest prime lending rate published from time to time by the Wall Street Journal. The Company is required to pay a quarterly unused commitment fee of 0.0625% of the amount by which (if any) that the average of the borrowings outstanding under the credit line in any calendar quarter is less than $4,000,000. There were no borrowings outstanding under the credit line at September 30, 2019 or June 30, 2019. We were in compliance with all of our financial and other covenants under our credit line agreement at September 30, 2019.

Term Loan. As previously reported, on September 15, 2017 the Company obtained a five-year, $3,500,000 unsecured term loan. In October 2018, the Company began repaying the loan balance of $3,000,000 in 48 equal monthly principal payments of $62,500, or $750,000 on an annual basis, through September 2022. There are no prepayment penalties on loan repayments.

The term loan agreement contains two financial covenants, which require the Company to maintain (a) a funded debt coverage ratio and (b) a debt service coverage ratio, respectively. The loan agreement also contains certain other covenants typical for this type of loan, including a covenant which provides that, without the bank's consent, the Company may not incur additional indebtedness for borrowed money, except for (i) borrowings under the Company's revolving credit line, (ii) purchase money indebtedness and (iii) capitalized lease obligations. The Company was in compliance with the loan covenants at September 30, 2019 and June 30, 2019.

At September 30, 2019, the Company had $2,250,000 of outstanding borrowings under the term loan of which $750,000 is classified as a current liability and $1,500,000 is classified as a long-term liability in the consolidated condensed balance sheet at September 30, 2019.

Accounts Receivable. A substantial portion of accounts receivable are due from collectibles dealers. One individual customer's accounts receivable balance exceeded 10% of the Company's total gross accounts receivable balances at September 30, 2019 and at June 30, 2019. We perform analyses of the expected collectability of accounts receivable based on several factors, including the age and extent of significant past due accounts and economic conditions or trends that may adversely affect the ability of debtors to pay their account receivable balances. Based on that review, we establish an allowance for doubtful accounts, when deemed necessary. The allowance for doubtful accounts receivable was $80,000 and $72,000 at September 30, 2019 and June 30, 2019, respectively. Ultimately, we will write-off accounts receivable balances when it is determined that there is no possibility of collection.

Coin and Cards / Autograph Revenues. The authentication, and grading of coins and cards / autographs including, related services accounted for approximately 94% of our net revenues for three months ended September 30, 2019, as compared to 93% of our net revenues for the three months ended September 30, 2018.

Customers. Our top five customers accounted, in the aggregate, for approximately 12% of our total revenues in the three months ended September 30, 2019 as compared to 11% of revenues in the same period of the prior year.

Inventories

Our inventories consist primarily of (i) coins which we have purchased pursuant to our coin authentication and grading warranty program and (ii) consumable supplies and special inserts that we use in our authentication and grading businesses. Coin collectibles inventories are recorded at the lower of cost or net realizable value using the specific identification method. Consumable supplies are recorded at the lower of cost (using the first-in first-out method) or market. Inventories are periodically reviewed to identify slow-moving items, and an allowance for inventory losses is recognized, if considered necessary. It is possible that our estimates of market value of collectible coins in inventory could change, due to changes in market conditions in the various collectibles markets served by the Company, which could require us to increase that allowance for inventory losses.

Capitalized Software

We capitalize certain costs incurred in the development and upgrading of our software, either from internal or external sources, as part of intangible assets and we amortize those costs on a straight-line basis over the estimated useful life of the software of three years. In the three months ended September 30, 2019 we capitalized approximately $279,000 of software development costs as compared to $194,000 in the three months ended September 30, 2018. In the three months ended September 30, 2019, we recorded approximately $229,000 as amortization expense for capitalized software as compared to $237,000 in the three months ended September 30, 2018. Planning, training, support and maintenance costs incurred either prior to or following the implementation phase of software development projects are recognized as expense in the period in which they are incurred. We evaluate the carrying value of capitalized software for possible impairment, and, if necessary, an impairment loss is recorded in the period in which any impairment is determined to have occurred.

Warranty Costs

We provide a limited warranty covering the coins and trading cards that we authenticate and grade. Under the warranty, if any collectible coin or trading card that was previously authenticated and graded by us is later submitted to us for re-grading and either (i) receives a lower grade upon that re-submittal or (ii) is determined not to have been authentic, we will offer to purchase the collectible or, in the alternative, at the customer's option, pay the difference in value of the item at its original grade, as compared to its value at its lower grade. However, this warranty is voided if the collectible, upon re-submittal to us, is not in the same tamper-resistant holder in which it was placed at the time we last graded it. We accrue for estimated warranty costs based on historical trends and related experience. We monitor the adequacy of our warranty reserves on an ongoing basis for significant claims resulting from resubmissions receiving lower grades or deemed not to be authentic. Warranty expense recognized in the three months ended September 30, 2019 was $41,000 as compared to $112,000 in the three months ended September 30, 2018.

Dividends

In accordance with the Company's current dividend policy, we paid quarterly cash dividends of $0.175 per share of common stock in the first quarter of fiscal 2020 and 2019. The declaration of cash dividends in the future is subject to final determination each quarter by the Board of Directors based on a number of factors, including the Company's financial performance and its available cash resources, its cash requirements and alternative uses of cash that the Board may conclude would represent an opportunity to generate a greater return on investment for the Company.

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update 2016-13,*Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instrument.* Subsequent to the issuance of ASU 2016-13, the FASB clarified the guidance through several ASUs. The collective new guidance (ASC 326) generally requires entities to use a current expected credit loss model, which is a new impairment model based on expected losses rather than incurred losses. Under this model, an entity would recognize an impairment allowance equal to its current estimate of all contractual cash flows that the entity does not expect to collect. The entity's estimate would consider relevant information about past events, current conditions, and reasonable and supportable forecasts. ASC 326 is effective for annual and interim fiscal reporting periods beginning after December 15, 2022, with early adoption permitted for annual reporting periods beginning after December 15, 2018. The Company is continuing to evaluate the expected impact of this ASC 326 but does not expect it to have a material impact on its consolidated financial statements upon adoption.

In January 2017, FASB issued 2017-04, on*Simplifying the Test for Goodwill Impairment.* The updated guidance eliminates step 2 from the goodwill impairment test. Instead, an entity would perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity would consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The guidance is effective for fiscal years beginning after December 15, 2022. The guidance is not expected to have a material effect on the Company's financial statements.

2. INVENTORIES

Inventories consist of the following (in thousands):

	September 30, 2019	June 30, 2019
Coins	$ 185	$ 173
Grading raw materials consumable inventory	3,213	3,070
	3,398	3,243
Less inventory reserve	(1,279)	(1,278)
Inventories, net	$ 2,119	$ 1,965

The inventory reserve represents a valuation allowance on certain items of our coins inventory based on the current market value of those coins and for our consumables inventories, based upon our review of the expected future usage of that inventory.

Estimated market value of coins can be subjective and can vary depending on market conditions for precious metals, the number of qualified buyers for a particular coin and the uniqueness and special features of a particular coin.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	September 30, 2019	June 30, 2019
Coins grading reference sets	$ 68	$ 68
Computer hardware and equipment	2,390	2,325
Computer software	1,606	1,606
Equipment	5,197	5,131
Furniture and office equipment	991	944
Leasehold improvements	4,749	4,741
Trading card reference library	52	52
	15,053	14,867
Less accumulated depreciation and amortization	(8,028)	(7,608)
Property and equipment, net	$ 7,025	$ 7,259

4. ACCRUED LIABILITIES

Accrued liabilities consist of the following (in thousands):

	September 30, 2019	June 30, 2019
Warranty reserves	$ 764	$ 852
Professional fees	152	141
Other	945	880
	$ 1,861	$ 1,873

The following table presents the changes in the Company's warranty reserve during the three months ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30,	
	2019	2018
Warranty reserve beginning of period	$ 852	$ 862
Provision charged to cost of revenues	41	112
Payments	(129)	(30)
Warranty reserve, end of period	$ 764	$ 944

5. INCOME TAXES

The income tax provisions in the three months ended September 30, 2019 and 2018, were determined based on estimated annual effective tax rates of approximately 23% and 25%, respectively. Both three-month periods were adjusted for excess tax benefits or deficiencies.

6. NET INCOME PER SHARE

The following table presents the changes in the Company's weighted average shares outstanding for the three months ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30,	
	2019	2018
Weighted average shares outstanding: Basic	8,973	8,933
Dilutive effect of restricted shares	87	29
Weighted average shares outstanding: Diluted	9,060	8,962

A total of 5,000 and 31,000 anti-dilutive unvested restricted shares of common stock were excluded from the computation of diluted income per share in the three months ended September 30, 2019 and 2018, respectively. In addition, in the three months ended September 30, 2019, 52,000 of unvested performance based shares were excluded from the computation of diluted earnings per share because we had not achieved the related performance goals required for those shares to vest.

7. BUSINESS SEGMENTS

Operating segments are defined as the components or "segments" of an enterprise for which separate financial information is available that is evaluated regularly by the Company's chief operating decision maker, or decision-making group, in deciding how to allocate resources to and in assessing performance of those components or "segments". The Company's chief operating decision-maker is its Chief Executive Officer. The Company's operating segments are organized based on the respective services that they offer to customers. Similar operating segments have been aggregated to reportable operating segments based on having similar services, types of customers, and other criteria.

We operate principally in three reportable service segments: coins, trading cards / autographs and other (which includes our non-authentication and grading smaller businesses). Services provided by the coin and the trading cards / autographs segments include authentication, grading, publications, advertising and commissions earned, membership revenues and product sales. The other segment is comprised of CCE, Coinflation.com, Collectors.com and our collectibles trade show business.

We allocate certain operating expenses to each service segment based upon each segment's estimated expense usage. The following tables set forth on a segment basis, including a reconciliation with the condensed consolidated financial statements, (i) revenues, (ii) depreciation and amortization, (iii) stock-based compensation expense, and (iv) operating income for the three months ended September 30, 2019 and 2018, respectively. Net identifiable assets are provided by business segment as of September 30, 2019 and June 30, 2019, respectively (in thousands):

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018
Net revenues:		
Coins (i)	$ 10,982	$ 10,121
Trading cards / autographs	8,094	6,100
Other	1,134	1,274
Consolidated total revenue	$ 20,210	$ 17,495
Depreciation and amortization:		
Coins	$ 364	$ 324
Trading cards / autographs	151	141
Other	92	148
Total	607	613
Unallocated depreciation and amortization	103	129
Consolidated depreciation and amortization	$ 710	$ 742
Stock-based compensation:		
Coins	$ 51	$ 65
Trading cards / autographs	17	4
Other	8	7
Total	76	76
Unallocated stock-based compensation	188	187
Consolidated stock-based compensation	$ 264	$ 263
Operating income:		
Coins	$ 3,753	$ 2,329
Trading cards / autographs	2,255	1,563
Other	308	343
Total	6,316	4,235
Unallocated operating expenses	(1,679)	(1,408)
Consolidated operating income	$ 4,637	$ 2,827

(i) Includes service revenues of $2.4 million generated from outside the United States in the three months ended September 30, 2019 as compared to $1.7 million in the three months ended September 30, 2018.

	September 30, 2019	June 30, 2019
Identifiable Assets:		
Coins	$ 11,978	$ 9,398
Trading cards / autographs	3,890	3,753
Other	2,433	2,468
Total	18,301	15,619
Unallocated assets	31,119	22,074
Consolidated assets	$ 49,420	$ 37,693
Goodwill:		
Coins	$ 515	$ 515
Other	1,568	1,568
Consolidated goodwill	$ 2,083	$ 2,083

8. CONTINGENCIES

The Company is named from time to time, as a defendant in lawsuits and disputes that arise in the ordinary course of business. We establish accruals for lawsuits or disputes when it is determined that a loss is both probable and can be reasonably estimated. Accruals can be adjusted from time to time, in light of additional information.

We believe that none of the lawsuits or disputes currently pending against the Company is likely to have a material adverse effect on the Company's financial position or results of operations.

9. LEASES

The Company has operating leases for office facilities and certain equipment. Our leases have remaining terms of 1 year to 9 years, some of which included options to extend. We did not include options to extend in our determination of the valuation of our right-of-use (ROU) assets and lease liabilities, as it was not considered probable that we will exercise those options. Lease expense is recognized on a straight-line basis over the lease term. Some of our leases have variable payments of property taxes, insurance and common area maintenance, in addition to base rent. These variable payments are expensed when incurred and are recorded as variable rent expense.

Operating lease right-of-use assets and liabilities are measured using the present value of future minimum lease payments over the lease term. We applied our incremental borrowing rate based on the information available at the adoption date.

Information related to the Company's total lease costs were as follows (in thousands):

	Three Months Ended September 30, 2019
Operating lease cost	$ 536
Variable lease cost	111
Total lease cost	$ 647

Information related to the Company's ROU assets and related lease liabilities were as follows (in thousands):

	Three Months Ended September 30, 2019
Cash paid for operating lease liabilities	$ 596
Weighted-average remaining lease term (in years)	7.8
Weighted-average discount rate	4.8%

The table below reconciles the undiscounted future minimum lease payments (displayed by year and in the aggregate) under noncancellable operating leases with terms of more than one year to the total operating lease liabilities recognized on the condensed consolidated balance sheets as of September 30, 2019 (in thousands):

2020 (remaining 9 months)	$ 1,728
2021	2,340
2022	2,000
2023	1,653
2024	1,475
Thereafter	6,539
Total undiscounted future minimum lease payments	15,735
Less: Imputed interest	(2,689)
Total operating lease liabilities	$ 13,046
Current operating lease liabilities	$ 2,264
Long-term operating lease liabilities	10,782
Total operating lease liabilities	$ 13,046

As of September 30, 2019, we do not have additional finance or operating leases that have not yet commenced that would create significant obligations for us.

10. SUBSEQUENT EVENTS

On October 22, 2019, the Company announced that, in accordance with its dividend policy the Board of Directors had approved a second quarter cash dividend of $0.175 per share of common stock, which will be paid on November 29, 2019 to stockholders of record on November 15, 2019.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

The discussion in this Item 2 of this Quarterly Report on Form 10-Q (this "Report") includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "1933 Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "1934 Act"). Those Sections of the 1933 Act and 1934 Act provide a "safe harbor" from liability for forward-looking statements in order to encourage companies to provide prospective information about their expected future financial performance so long as they provide cautionary statements identifying important factors that could cause their actual results to differ from projected or anticipated results. Other than statements of historical fact, all statements in this Report and, in particular, any projections of or statements as to our expectations or beliefs concerning our future financial performance or financial condition or as to trends in our business or in our markets, are forward-looking statements. Forward-looking statements often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate," "project," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," or "may." Our actual financial performance in future periods may differ significantly from the currently expected financial performance set forth in the forward-looking statements contained in this Report due to the risks to which our business is subject and other circumstances or occurrences which are not presently predictable and over which we do not have control. Consequently, the forward-looking statements and information contained in this Report are qualified in their entirety by, and readers of this Report are urged to read the risk factors that are described in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended June 30, 2019 (the "Fiscal 2019 10-K"), which we filed with the Securities and Exchange Commission (the "SEC") on August 28, 2019, and the section, entitled "Factors that Can affect our Results of Operations or Financial Position," below in this Item 2.

Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements that are contained or recent trends that we describe in this Report, which speak only as of the date of this Report, or to make predictions about our future financial performance based solely on our historical financial performance. We also disclaim any obligation to update or revise any forward-looking statements contained in this Report or in our Fiscal 2019 10-K or any of our other prior filings with the SEC, except as may be required by applicable law or applicable NASDAQ rules.

Our Business

Collectors Universe, Inc. ("we", "us", "our", or the "Company") provides authentication and grading services to dealers and collectors of coins, trading cards, event tickets, autographs, sports and historical memorabilia. We believe that our authentication and grading services add value to these collectibles by providing dealers and collectors with a high level of assurance as to the authenticity and quality of the collectibles they seek to buy or sell; thereby enhancing their marketability and providing increased liquidity to the dealers, collectors and consumers that own, buy and sell such collectibles.

We principally generate revenues from the fees paid for our authentication and grading services. To a lesser extent, we generate revenues from other related services which consist of: (i) revenues from sales of advertising placed and commissions earned on our websites; (ii) sales of printed publications and collectibles price guides and sales of advertising in our publications; (iii) sales of membership subscriptions in our Collectors Club, which is designed primarily to attract interest in high-value collectibles among new collectors; (iv) sales of subscriptions to our CCE dealer-to-dealer Internet bid-ask market for coins that have been authenticated and graded (or "certified") and (v) the management and operation of collectibles trade shows and conventions. We also generate revenues from sales of our collectibles inventory, which is comprised primarily of collectible coins that we have purchased under our coin grading warranty program; however, such product sales are neither the focus nor an integral part of our on-going revenue generating activities.

Overview of First Quarter Fiscal 2020 Operating Results

The following table sets forth comparative financial data for the three months ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30, 2019		Three Months Ended September 30, 2018	
	Amount	Percent of Revenues	Amount	Percent of Revenues
Net revenues	$ 20,210	100.0%	$ 17,495	100.0%
Cost of revenues	8,101	40.1%	7,202	41.2%
Gross Profit	12,109	59.9%	10,293	58.8%
Operating Expenses:				
Selling and marketing expenses	2,633	13.0%	2,808	16.0%
General and administrative expenses	4,839	24.0%	4,658	26.6%
Total Operating Expenses	7,472	37.0%	7,466	42.6%
Operating income	4,637	22.9%	2,827	16.2%
Net Interest and other income	71	0.4%	3	-
Income before provision for income taxes	4,708	23.3%	2,830	16.2%
Provision for income taxes	1,095	5.4%	699	4.0%
Net Income	$ 3,613	17.9%	$ 2,131	12.2%
Net income per diluted share	$ 0.40		$ 0.24	

Net revenues increased by $2.7 million, or 16%, to record quarterly revenues of $20.2 million in the three months ended September 30, 2019 from $17.5 million in the three months ended September 30, 2018. The increase in revenues in this year's first quarter was primarily attributable to an increase of approximately $2.0 million or 33% in our cards / autographs revenues and $0.9 million or 9% in our coin revenues. See *Net Revenues* below for a more detailed discussion on the changes in revenues in this year's first quarter.

Operating income increased by $1.8 million, or 64%, to $4.6 million in this year's first quarter from $2.8 million in the last year's first quarter. That increase was due primarily, to the higher gross profit earned on the higher revenues. Operating expenses were essentially unchanged from the first quarter of last year at $7.5 million. The operating margin in this year's first quarter was 23% as compared to 16% in last year's first quarter.

These, as well as other factors affecting our operating results in the three months ended September 30, 2019, are described in more detail below. See "Factors that Can Affect Our Operating Results and Financial Position" and "Results of Operations for the Three Months Ended September 30, 2019, as compared to the Three Months Ended September 30, 2018", below.

Factors That Can Affect our Operating Results and Financial Position

Factors That Can Affect our Revenues and Gross Profit Margins. Authentication and grading fees accounted for approximately 90% of our service revenues in the three months ended September 30, 2019. The amount of those fees and our gross profit margins are primarily driven by the volume and mix of coin and collectibles sales and purchase transactions by collectibles dealers and collectors, because our authentication and grading services generally facilitate sales and purchases of coins and other collectibles by providing dealers and collectors with a high level of assurance as to the authenticity and quality of the collectibles they seek to sell or buy. Consequently, dealers and collectors most often submit coins and other collectibles to us for authentication and grading at those times when they are in the market to sell or buy coins and the other high-value collectibles, that we authenticate and grade.

Our authentication and grading revenues and gross profit margins are affected by (i) the volume and mix of authentication and grading submissions among coins and trading cards; (ii) in the case of coins and trading cards, the turnaround times requested by our customers, because we charge higher fees for faster service times; and (iii) the volume and mix of authentication and grading submissions between vintage or “classic” coins and trading cards, and modern coins and trading cards, as vintage or classic collectibles generally are of significantly higher value than modern coins and trading cards; and justify a higher average service fee. Furthermore, because a significant proportion of our costs of revenues are relatively fixed in nature in the short term, our gross profit margin is also affected by the overall volume of collectibles that we authenticate and grade in any period.

In addition, our coin authentication and grading revenues are impacted by the volume of modern coin submissions, which can be volatile, primarily in the U.S., depending on the timing and size of modern coin marketing programs by the United States Mint and by customers or dealers who specialize in sales of such coins. Our overseas revenues can fluctuate on a quarterly basis due to the number of authentication and grading events we conduct at our overseas operations on a quarterly basis.

Our revenues and gross profit margin are also affected by the number of coin authentication and grading submissions we receive at collectibles trade shows, where we provide on-site authentication and grading services to show attendees, because show attendees typically request higher priced same-day turnaround for the coins they submit to us for authentication and grading at those shows. The number of trade show submissions varies from period to period depending upon a number of factors, including the number and the timing of the shows in each period and the volume of collectible coins that are bought and sold at those shows by dealers and collectors. In addition, the number of such submissions and, therefore, the revenues and gross profit margin we generate from the authentication and grading of coins at trade shows can be impacted by dealer and collectors sentiment arising from short-term changes in the prices of gold that may occur around the time of shows, because short-term changes in gold prices can affect the willingness of dealers and collectors to sell and purchase coins at the shows.

Our top five customers accounted, in the aggregate, for approximately 12% of our total revenues in the three months ended September 30, 2019, as compared to 11% in the same period of the prior year. As a result, the loss of any of those customers, or a significant decrease in the volume of authentication and grading submissions from any of them to us, could cause our net revenues to decline and, therefore, could adversely affect our results of operations.

Due to submissions mix issues discussed above, the number of units authenticated and graded can vary by period between coins, and cards / autographs. In addition, revenue generated in a period will vary based on the mix of coins, and cards / autographs authenticated and graded and the average service fees (“ASP”) we charge for such services. Generally, ASPs are higher for coins than for cards / autographs and for vintage units than for modern units.

Impact of Economic Conditions on our Financial Performance. As discussed above, our operating results are affected by the number of collectibles transactions by collectibles dealers and collectors which, in turn, is primarily affected by (i) the cash flows generated by collectibles dealers and their confidence about future economic conditions, which affect their willingness and the ability of such dealers to purchase collectibles for resale; (ii) the availability and cost of borrowings because collectibles dealers often rely on borrowings to fund their purchases of collectibles, (iii) the disposable income available to collectors and their confidence about future economic conditions, because high-value collectibles are generally purchased with disposable income; (iv) prevailing and anticipated rates of inflation and the strength or weakness of the U.S. dollar, and uncertainties regarding the strength of the economy in the United States, Western Europe and China, because conditions and uncertainties of this nature often lead investors and consumers to purchase or invest in gold and silver coins as a hedge against inflation or reductions in the purchasing power of the U.S. currency; as well as an alternative to investments in government bonds and other treasury instruments; and (v) the performance and volatility of the gold and other precious metals markets, which can affect the level of purchases and sales of collectible coins, because investors and consumers will often increase their purchases of gold coins, as well as other hard assets if they believe that the market prices of those assets will increase. As a result, the volume of collectibles transactions and, therefore, the demand for our authentication and grading services, generally increase during periods characterized by increases in disposable income and the availability of lower cost borrowings, on the one hand, or increases in inflation or in gold prices, economic uncertainties and declines in business and consumer confidence or a weakening of the U.S. dollar on the other hand. By contrast, collectibles transactions and, therefore, the demand for our services generally decline during periods characterized by economic downturns or recessions, declines in consumer and business confidence, an absence of inflationary pressures, or periods of stagnation or a downward trend in the market prices of gold. However, these conditions can sometimes counteract each other as it is not uncommon, for example, for investors to shift funds from gold to other investments during periods of economic growth and growing consumer and business confidence and from stocks and other investments to gold during periods of economic uncertainties and decreases in disposable income and consumer and in business confidence.

Factors That Can Affect our Liquidity and Financial Position. A substantial number of our authentication and grading customers pay our authentication and grading fees when they submit their collectibles to us or prior to the shipment of the collectibles back to them. As a result, historically, we have been able to rely on internally generated cash to fund our continuing operations.

In addition to the operating performances of our businesses, and, in particular our coin and trading cards / autographs businesses, which accounted for approximately 94% of our revenues in this year's first quarter, our overall financial position can also be affected by other factors, including the Company's tax position and effective tax rate, the dividend policy adopted by the Board of Directors from time to time, the Company's decisions to invest in and to fund the acquisition of established and/or early stage businesses and any capital raising activities or stock repurchases. Furthermore, our domestic financial position can be impacted by delays in repatriating cash balances back to the United States from China, due to exchange control regulations in China.

As discussed in note 1 to the condensed consolidated financial statements included elsewhere in this Quarterly Report, and in "Liquidity and Capital Resources" below, the Company continues to have a $10,000,000 three-year unsecured revolving credit line through January 2020.

We expect that internally generated cash flows, current cash and cash equivalent balances will be sufficient to fund our operations at least through the end of September 2020.

Critical Accounting Policies and Estimates

During the three months ended September 30, 2019 there were no changes in our critical accounting policies or estimates which are described in Item 7 of our Fiscal 2019 10-K. Readers of this report are urged to read that section of the Fiscal 2019 10-K for a more complete understanding and detailed discussion of our critical accounting policies and estimates.

Leases

Effective July 1, 2019 the Company adopted Accounting Standards Codification ("ASC") 842 *Accounting for Leases.* The core principle of this guidance is that a lessee should recognize the assets and liabilities that arise from leases. Therefore, the Condensed Consolidated Balance Sheet at September 30, 2019, includes a liability to make lease payments (the lease liability) and a right-of-use asset, representing our right to use the underlying asset for the lease term. We elected not to recognize lease assets and liabilities for leases with a term of 12 months or less and are recognizing lease expenses for such leases on a straight-line basis over the lease term. The Company adopted this new accounting guidance, utilizing the current period adoption method without revising comparative periods and elected not to reassess existing leases. There was no material impact on the Company's operating results arising from adopting this new guidance. See "*Note 9-Leases*" to the condensed consolidated statements for additional information.

Revenue Recognition

The core principle of ASC 606,"Revenue from Contracts with Customers" is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. In applying ASC 606, all revenue transactions must be evaluated using a five-step approach to determine the amount and timing of revenue to be recognized. The five-step approach requires (1) identifying the contract with the customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations in the contract and (5) recognizing revenue when performance obligations are satisfied.

Our primary source of revenue is the authentication and grading of collectibles, which represented about 90% of our consolidated revenues in the three months ended September 30, 2019. Our other sources of revenues represent the balance of our revenues and are small and less than 5% individually. In accordance with ASC 606 we recognize revenue for our main revenue streams as follows:

Authentication and Grading Revenues: As the time it takes to authenticate and grade the collectible is short, we recognize revenue at the time of shipment (i.e. point of time) of the authenticated graded collectible to the customer, net of any taxes collected. Due to the insignificant delay between the completion of our authentication and grading services and the shipment of the collectible back to the customer, the time of shipment corresponds to the completion of our services. We recognize revenue for the sale of special coin inserts at the time the customer takes legal title to the insert. Many of our authentication and grading customers prepay our authentication and grading fees when they submit their collectibles to us for authentication and grading. We record those prepayments as deferred revenue until the collectibles have been authenticated and graded and shipped back to them. At that time, we record the revenues from the authentication and grading services we have performed for the customer and deduct this amount from deferred revenue. For certain dealers to whom we extend credit, we record revenue at the time of shipment of the authenticated and graded collectible to the dealer. We provide a limited warranty covering the coins and trading cards that we authenticate and grade.

Collectors Club Revenues: These revenues represent membership fees paid by customers for annual memberships in our Collectors Club. Those membership fees entitle members to access our on-line and printed publications and, depending on their membership level, to receive vouchers for authentication and grading services during the membership period. We allocate revenue between the vouchers and the membership. We recognize revenue attributable to the authentication and grading vouchers consistent with our Authentication and Grading services above. The balance of the membership fees is recognized ratably over the life of the membership. Memberships are paid in advance of the membership period and prepaid memberships fees are classified as deferred revenue. In the event vouchers expire unused (i.e. there are unexercised customer rights), we consider the guidance under ASC 606 in determining when to recognize revenue.

Certified Coin Exchanges Subscription Revenues: We recognize subscription revenues related to our CCE exchange for certified coins, ratably over the relevant subscription period. Subscriptions are typically billed and paid to us on a monthly basis, although certain quarterly and annual subscriptions can be paid to us in advance. Prepaid subscriptions are classified as part of deferred revenue.

Expos Trade Show Revenue: We recognize fees earned from promoting, managing, and operating trade shows in the periods in which the shows take place. Trade show booth fees are typically paid in advance. Certain fees that are paid to conduct auctions at the show are paid at the end of the show. Prepaid show fees are classified as part of deferred revenue.

Advertising and Commission Revenues: Advertising revenues are recognized in the period when an advertisement is displayed in our publications or websites and customers typically have 30 day credit terms. Click-through commission revenues earned through our websites from third party affiliate programs are recognized in the period in which the commissions are earned, and such commissions are paid in the following month.

Coin Sales: Coin sales consist primarily of sales of collectibles coins that we have purchased pursuant to our coin authentication and grading warranty program. We recognized revenues from coin sales when they are shipped or delivered to customers or if the coins are sold through auction, when the auction settles. However, those sales are not considered to be focus of or an integral part of the Company's on going revenue generating activities.

Contract Balances. As discussed above, the timing of revenue recognition can differ from the timing of invoicing to customers. Contract liabilities are comprised of billings or payments received from our customers in advance of performance under the contract. We refer to these contract liabilities as "Deferred Revenue" in the accompanying condensed consolidated balance sheets. During the three months ended September 30, 2019, we recognized $1,748,000 in revenue from the deferred revenue balance of $3,412,000 at June 30, 2019.

Shipping and Handling Costs

Shipping and handling costs incurred to process and return customer collectibles submitted to us for grading or authentication are recorded as costs of revenues, net of amounts received from customers, in accordance with the guidance for Principals versus Agents as set out in ASC 606.

Goodwill

We test the carrying value of goodwill and other indefinite-lived intangible assets at least annually on their respective acquisition anniversary dates, or more frequently if indicators of impairment are determined to exist. When testing for impairment, in accordance with Accounting Standards Update No. 2011-08, we consider qualitative factors, and where determined necessary, we proceed to the two-step goodwill impairment test. When applying the two-step impairment test, we apply a discounted cash flow model or an income approach in determining a fair value that is used to estimate the fair value of the reporting unit on a total basis, which is then compared to the carrying value of the reporting unit. If the fair value of the reporting unit exceeds the carrying value of the reporting unit, no impairment of goodwill exists as of the measurement date. However, if the fair value is less than the carrying value, then there is the possibility of goodwill impairment and further testing and re-measurement of goodwill would be required.

During the first quarter ended September 30, 2019, we completed the annual goodwill impairment assessment with respect to the goodwill acquired in our fiscal year 2006 purchases of CCE and CoinFacts. We assessed qualitative factors, including the significant excess of their fair values over carrying value in prior years, and any material changes in the estimated cash flows of the reporting units, and determined that it was more likely than not that the fair values of CCE and CoinFacts were greater than their respective carrying values, including goodwill, and therefore, it was not necessary to proceed to the two-step impairment test.

Stock-Based Compensation

We recognize stock-based compensation attributable to service-based equity grants over the service period based on the grant date fair values of the awards. For performance-based equity grants with financial performance goals, we begin recognizing compensation expense based on their respective grant date fair values when it becomes probable that we will achieve the financial performance goals.

Restricted Stock Awards: 2020 and 2019 Long Term Incentive Plans ("LTIPs")

Retention Restricted Service Shares ("RSUs")

To create incentives for the officers and other key employees ("LTIP Participants") to remain in the Company's service, RSUs were granted to them as follows:

Annual Grants. A total, net of forfeitures, of 25,952 and 44,763 RSUs were granted in fiscal 2020 and 2019, respectively, with vesting in three annual installments on the last day of the fiscal years following the grants, with the vesting of each such installment contingent on the Participant remaining in the continuous service of the Company through the vesting date of that installment.

If a Participant's continuous service with the Company ceases, for any reason whatsoever, including a termination of the Participant’s employment with or without cause, prior to any vesting date or dates, the then unvested RSUs will be forfeited.

Fiscal 2020 and 2019 Performance Restricted Shares (“PSUs”)

To create incentives for the LTIP Participants to focus their efforts on the achievement of increases in net cash flows (defined as net cash generated by the Company’s operating activities, minus capital expenditures and capitalized software costs), during the three years ending June 30, 2021 and 2022, (the “Performance Periods”), in fiscal 2020 and 2019, the Compensation Committee granted 51,905 and 89,542 PSUs (at maximum) respectively, to LTIP Participants. Vesting of the PSUs was made dependent upon the achievement of net cash flows on an annual basis for performance periods, subject to possible downward or upward adjustment of 20% of the PSUs, based on a comparison of the Company’s annualized total shareholder return (“TSR”) for each Performance Period, to the annualized TSR of the Russell 2000 Index, for the same Performance Period. Threshold, target and maximum net cash flow goals were established for fiscal years 2020 and 2019. Grant dates will be established for future year’s PSUs early in those fiscal years which will give rise to grant dates for expense recognition purposes.

For any of the PSUs to vest, a Participant must remain in the continuous service of the Company through June 30, 2021 for the fiscal 2019 PSUs and June 30, 2022 for the fiscal 2020 PSUs, and the threshold net cash flows goal must be achieved in at least one of the years, in the three year Performance Period. Stock-based compensation expense of $77,000 was recognized in the three months ended September 30, 2019 for these PSUs. There was no expense for PSUs in the three months ended September 30, 2018.

Total stock-based compensation expense for all unvested RSUs and PSUs in the three months ended September 30, 2019 was $264,000 as compared to $263,000 in the three months ended September 30, 2018.

Results of Operations for the Three Months Ended September 30, 2019 as compared to the Three Months Ended September 30, 2018

Net Revenues

Net revenues consist primarily of fees that we generate from the authentication and grading of high-value collectibles, including coins, trading cards and autographs, and related special inserts, if applicable. To a lesser extent, we generate collectibles related service revenues (which we refer to as “other related revenues”) from advertising and commissions earned on our websites and in printed publications and collectibles price guides; subscription/membership revenues related to our CCE (dealer-to-dealer Internet bid-ask market for certified coins), and Collectors Club memberships; and fees earned from promoting, managing and operating collectibles trade shows. Net revenues also include, to a significantly lesser extent, revenues from the sales of products, which consist primarily of coins that we have purchased under our coin authentication and grading warranty policy. We do not consider such product sales to be the focus or an integral part of our ongoing revenue generating activities.

The following tables set forth the information regarding our net revenues for the three months ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30,					
	2019		2018		2019 vs. 2018	
					Increase (Decrease)	
	Amount	% of Net Revenues	Amount	% of Net Revenues	Amounts	%
Authentication and grading fees	$ 18,101	89.6%	$ 15,213	87.0%	$ 2,888	19.0%
Other related services	2,109	10.4%	2,282	13.0%	(173)	(7.6%)
Total revenues	$ 20,210	100.0%	$ 17,495	100.0%	$ 2,715	15.5%

The following tables set forth certain information regarding the increases (decreases) in net revenues in our larger markets (which are inclusive of revenues from our other related services) and in the number of units authenticated and graded in the three months ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30,					
	2019		2018		2019 vs. 2018	
					Increase (Decrease)	
	Amount	% of Net Revenues	Amount	% of Net Revenues	Amounts	%
Coins:						
United States	$ 8,690	43.0%	$ 8,429	48.2%	$ 261	3.1%
China	1,308	6.5%	1,069	6.1%	239	22.4%
France & Hong Kong	984	4.8%	623	3.6%	361	57.9%
Total Coins	10,982	54.3%	10,121	57.9%	861	8.5%
Cards / autographs [1]	8,094	40.0%	6,100	34.9%	1,994	32.7%
Other [2]	1,134	5.7%	1,274	7.2%	(140)	(11.0%)
	$ 20,210	100.0%	$ 17,495	100.0%	$ 2,715	15.5%

(1) Consists of revenues from our PSA trading card authentication and grading business and our PSA/DNA autograph authentication and grading business.

(2) Includes the revenues generated by our CCE subscription business, Coinflation.com, Collectors.com, the Expos trade shows and sales of products.

For the three months ended September 30, 2019, our total revenues increased by $2,715,000, or 15.5% to a quarterly record of $20,210,000 from $17,495,000 in the three months ended September 30, 2018. That increase was attributable to an increase of $2,888,000 or 19% in authentication and grading fees partially offset by a decrease of $173,000 or 7.6%, in other related services, primarily as a result of lower commission revenue generated from click-through affiliate programs, in the quarter.

Revenues from our trading cards / autographs business continued to show consistent growth. Those revenues increased by 32.7% in the first quarter and represented record quarterly revenues for that business. Moreover, our card / autographs business has achieved quarter-over-quarter revenue growth in 36 of the last 37 quarters.

The 8.5% increase in coin revenues in this year's first quarter as compared to the same quarter last year, primarily reflected in the U.S. (i) higher modern fees of $555,000, or 25%, due to higher average service fees earned on recent releases of coins by the U.S. Mint, partially offset by (ii) lower show revenues in this year's first quarter of $191,000 or 10%, due to one less show in this year's first quarter. U.S. Vintage coin fees were substantially unchanged in the quarter. Coin revenue also increased in all three overseas coin operations in this year's first quarter. Our China operation continued to generate improved revenues, consistent with the fourth quarter of fiscal 2019 and our France office benefited from having grading events in this year's first quarter.

Our coin and cards / autographs authentication and grading revenues represented approximately 94% of total revenues in the period and reflects the continued importance of those two businesses to our overall financial performance.

For the reasons discussed above under "Factors That Can Affect our Revenues and Gross Profit Margin", and "Impact of Economic Conditions on our Financial Performance", the level of coin service revenues can be volatile.

As previously disclosed, our second fiscal quarter ending December 31, 2019, is typically our seasonally slowest quarter of the year in the United States due to the winter holidays that occur in that quarter and we expect that trend to continue in this year's second quarter. The slower activity will mostly impact our U.S. coin business as our trading cards business continues to have a record backlog of submissions for authentication and grading. With respect to China, our current expectation is that we will continue to see improved revenues in China in this year's second quarter as compared to last year's second quarter.

Gross Profit

Gross profit is calculated by subtracting the cost of revenues from net revenues. Gross profit margin is gross profit stated as a percent of net revenues. The costs of authentication and grading revenues consist primarily of labor to authenticate and grade collectibles, production costs, credit card fees, warranty expense and occupancy, security and insurance costs that directly relate to providing authentication and grading services. Cost of revenues also includes printing, other direct costs of generating our non-grading related services revenues and the costs of product revenues, which represent the carrying value of the inventory of products (primarily collectible coins) that we sold and any inventory related reserves, considered necessary.

Set forth below is information regarding our gross profit in the three months ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30,			
	2019		2018	
	Amounts	% of Revenues	Amounts	% of Revenues
Gross profit	$ 12,109	59.9%	$ 10,293	58.8%

As indicated in the above table, our gross profit margin was 59.9% for the three months ended September 30, 2019 as compared to 58.8% in the same period of the prior year. The higher gross profit margin in this year's first quarter, was due primarily to improved gross profit margins earned in our coin businesses. (see "*Net Revenues"* above). As discussed in prior filings, there can be variability in the gross profit margin due to the mix of revenue and the seasonality of our business. During the three years ended June 30, 2019, our quarterly gross profit margins varied between 54% and 64%.

Selling and Marketing Expenses

Selling and marketing expenses include advertising and promotions costs, trade-show related expenses, customer service personnel costs, business development incentives, depreciation and outside services. Set forth below is information regarding our selling and marketing expenses in the three months ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30,	
	2019	2018
Selling and marketing expenses	$ 2,633	$ 2,808
Percent of net revenue	13.0%	16.0%

As indicated in the above table, selling and marketing expenses decreased to 13% of net revenues in the three months ended September 30, 2019, as compared to 16% in the same period of the prior year. In absolute dollars, selling and marketing expenses were down by $175,000 in this year's first quarter, primarily due to having one less trade show and less travel expenses in our coin business partially offset by higher costs in our growing cards / autograph business.

General and Administrative Expenses

General and administrative ("G&A") expenses are comprised primarily of compensation paid to general and administrative personnel, including executive management, finance and accounting and information technology personnel, non-cash stock-based compensation expense, facilities management costs, depreciation, amortization and other miscellaneous expenses. Set forth below is information regarding our G&A expenses in the three months ended September 30, 2019 and 2018, (in thousands):

	Three Months Ended September 30,	
	2019	2018
General and administrative expenses	$ 4,839	$ 4,658
Percent of net revenue	24.0%	26.6%

As indicated in the above table, G&A expenses decreased to 24.0% of revenues in the three months ended September 30, 2019 as compared to 26.6% in the same period of the prior year. In absolute dollars, G&A expenses increased by $181,000 in this year's first quarter which included recruitment and relocation costs and expenses for infrastructure related services.

Stock-Based Compensation

As discussed in Note 1, to the Company's condensed consolidated financial statements, included elsewhere in this report,and *Critical Accounting Policies* above, the Company recognized stock-based compensation expense as follows (in thousands):

	Three Months Ended September 30,	
Included In:	2019	2018
Selling and marketing expenses	$ 17	$ 18
General and administrative expenses	247	245
	$ 264	$ 263

The following table sets forth unrecognized non-cash stock-based compensation expense totaling $2,229,000 related to unvested stock-based equity awards outstanding at September 30, 2019 which represents the expense currently expected to be recognized through June 30, 2023, on the assumption that the holders of the equity awards will remain in the Company's service through that date. The amounts do not include the costs or effects of (i) possible grants of additional stock-based compensation awards in the future, (ii) PSUs granted in December 2017 under the 2018 LTIP as it is not considered probable that any of those shares will vest and (iii) PSUs granted under the 2019 LTIP and 2020 LTIP for which grant dates are to be established in fiscal 2021 and 2022 (in thousands):

Fiscal Year Ending June 30,	Amount
2020 (remaining 9 months)	$ 893
2021	931
2022	379
2023	26
	$ 2,229

Income Tax Expense

	Three Months Ended September 30,	
	2019	2018
	(in thousands)	
Income tax expense	$ 1,095	$ 699

The income tax provisions in the three months ended September 30, 2019 and 2018, were determined based on estimated annual effective tax rates of approximately 23%, and 25%, respectively. Both three-month periods were adjusted for excess tax benefits or deficiencies.

Liquidity and Capital Resources

Cash and Cash Equivalent Balances

Historically, we have been able to rely on internally generated funds, rather than borrowings, as our primary source of funds to support our operations, because many of our authentication and grading customers pay our fees at the time they submit their collectibles to us for authentication and grading or prior to the shipment of their collectibles back to them. However, as discussed below, we have borrowings of $2.25 million at September 30, 2019 under our Term Loan and we have $10 million of availability, but no borrowings, under our Revolving Line of Credit.

At September 30, 2019, we had cash and cash equivalents of approximately $21,300,000, as compared to cash and cash equivalents of $19,225,000 at June 30, 2019.

Cash Flows

Cash Flows from Continuing Operations. During the three months ended September 30, 2019 and 2018, net cash provided by continuing operating activities was $4,336,000 and $3,890,000, respectively. The higher cash provided by operating activities in the three months ended September 30, 2019, reflects the higher operating results of our businesses in this year's first quarter, as adjusted for non-cash expenses and changes in working capital.

Cash used by Investing Activities. Investing activities used cash of $490,000 and $491,000 in the three months ended September 30, 2019 and 2018, respectively. In the three months ended September 30, 2019, we used $211,000 for capital expenditures and $279,000 for capitalized software costs. In the three months ended September 30, 2018, we used $297,000 for capital expenditures and $194,000 for capitalized software costs.

Cash used in Financing Activities. In the three months ended September 30, 2019 and 2018, financing activities used net cash of $1,771,000 and $1,786,000, respectively. The lower cash dividends paid to stockholders of $1,583,000 in three months ended September 30, 2019, as compared to $1,786,000 in the three months ended September 30, 2018, reflected dividends on stock that vested on June 30, 2018, that were paid in the first quarter of fiscal 2019. In the three months ended September 30, 2019, we repaid $188,000 under our Term Loan (see "Term Loan" below.)

Outstanding Financial Obligations

Lease Obligations

The Company has various operating lease commitments for facilities and equipment some of which contain renewal options. On February 3, 2017, the Company, as tenant, entered into a triple net lease pursuant to which the Company is leasing approximately 62,755 rentable square feet space for its operations and headquarters facility. As of September 30, 2019, the remaining aggregate minimum obligations over the term of the lease was approximately $12.9 million.

We also lease smaller offices for our overseas operations including a five year lease for our Shanghai office that commenced in November 2017, with aggregate minimum obligations over the term of the lease of approximately $3.0 million and a three year lease for our offices in Hong Kong, which commenced in July 2018, with aggregate minimum obligations over the term of that lease of approximately $625,000.

At September 30, 2019, future minimum lease payments under the lease agreements (including short-term leases) associated with our operations were as follows (in thousands):

Year Ending June 30,	**Gross Amount**
2020 (remaining 9 months)	$ 1,779
2021	2,449
2022	2,021
2023	1,654
2024	1,465
Thereafter	6,535
	$ 15,903

Term Loan. As previously reported, on September 15, 2017 the Company obtained a five-year, $3,500,000 unsecured term loan. In October 2018, the Company began repaying the loan balance of $3,000,000 in 48 equal monthly principal payments of $62,500 or $750,000 on an annual basis, through September 2022. There are no prepayment penalties on loan repayments.

The agreement governing the term loan contains two financial covenants, which require the Company to maintain (a) a funded debt coverage ratio and (b) a debt service coverage ratio, respectively. The loan agreement also contains certain other covenants typical for this type of loan, including a covenant which provides that, without the bank's consent, the Company may not incur additional indebtedness for borrowed money, except for (i) borrowings under the Company's revolving credit line, (ii) purchase money indebtedness and (iii) capitalized lease obligations. The Company was in compliance with its loan covenants at September 30, 2019.

At September 30, 2019, the Company had $2,250,000 of outstanding borrowings under the loan of which $750,000 is classified as a current liability and $1,500,000 is classified as a long-term liability in the consolidated condensed balance sheet at September 30, 2019, included elsewhere in this report.

Revolving Credit Line. On January 10, 2017 the Company obtained a three-year, $10 million unsecured revolving credit line (the "Credit Line") from a commercial bank. The Company is entitled to obtain borrowings under the Credit Line at such times and in such amounts as it may request, provided that the maximum principal amount of the borrowings that may be outstanding at any one time under the Credit Line may not exceed $10 million and each year there must be a period of 30 consecutive days during which no borrowings are outstanding. The Company also may, at any time or from time to time and at its option, repay outstanding borrowings, in whole or in part, and may reborrow amounts so repaid at such times and in such amounts as it deems appropriate.

Credit Line borrowings will bear interest, at the Company's option, at LIBOR plus 2.25% or at 0.25% below the highest prime lending rate published from time to time by the Wall Street Journal. The Company is required to pay a quarterly unused commitment fee of 0.0625% of the amount by which (if any) that the average of the borrowings outstanding under the Credit Line in any calendar quarter is less than $4 million.

The loan agreement contains a financial covenant that requires the Company to maintain a funded debt coverage ratio and certain other covenants typical for this type of credit line. At September 30, 2019 the Company was in compliance with those covenants. There were no borrowings outstanding under the line of credit at September 30, and June 30, 2019.

Dividends. Our current dividend policy calls for us to pay quarterly cash dividends of $0.175 per share of common stock to our stockholders, for an expected total annual cash dividend of $0.70 per common share.

The declaration of cash dividends in the future, pursuant to our current dividend policy, is subject to determination each quarter by the Board of Directors based on a number of factors, including the Company's financial performance (and in particular the on-going performance of the Company's coin business), its available cash resources, its cash requirements and alternative uses of cash that the Board may conclude would represent an opportunity to generate a greater return on investment for the Company. For these reasons, as well as others, there can be no assurance that the Board of Directors will not decide to reduce the amount, or suspend or discontinue the payment, of cash dividends in the future.

Share Buyback Program. In December 2005, our Board of Directors approved a common stock buyback program that authorized up to $10,000,000 of stock repurchases in open market or privately negotiated transactions, in accordance with applicable SEC rules, when opportunities to make such repurchases, at attractive prices, become available. At September 30, 2019, we continued to have $3.7 million available under this program. However, no open market repurchases of common stock have been made under this program since the fourth quarter of fiscal 2008 and we have no present plans to make any such share repurchases in the foreseeable future.

Future Uses of Cash.

We plan to use our cash resources, consisting of available cash and cash equivalent balances, internally generated cash flows, and possibly also borrowings under our line of credit (i) to introduce new collectibles related services and initiatives for our existing and new customers (ii) to fund the expansion of our business (domestically and internationally); (iii) to fund capital expenditures and working capital requirements; (iv) to fund possible start-ups or acquisitions of businesses (v) to fund repayments under the term loan; (vi) to fund the payment of cash dividends; and (vii) for other general corporate purposes.

Although we have no current plans to do so, we also may seek additional borrowings and we may issue additional shares of our stock to finance the growth and international expansion of our businesses. However, there is no assurance that we would be able to raise additional capital on terms acceptable to us, if at all.

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update 2016-13,*Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instrument.* Subsequent to the issuance of ASU 2016-13, the FASB clarified the guidance through several ASUs. The collective new guidance (ASC 326) generally requires entities to use a current expected credit loss model, which is a new impairment model based on expected losses rather than incurred losses. Under this model, an entity would recognize an impairment allowance equal to its current estimate of all contractual cash flows that the entity does not expect to collect. The entity's estimate would consider relevant information about past events, current conditions, and reasonable and supportable forecasts. ASC 326 is effective for annual and interim fiscal reporting periods beginning after December 15, 2022, with early adoption permitted for annual reporting periods beginning after December 15, 2018. The Company is continuing to evaluate the expected impact of this ASC 326 but does not expect it to have a material impact on its consolidated financial statements upon adoption.

In January 2017, FASB issued 2017-04, on*Simplifying the Test for Goodwill Impairment.* The updated guidance eliminates step 2 from the goodwill impairment test. Instead, an entity would perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity would consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The guidance is effective for fiscal years beginning after December 15, 2022. The guidance is not expected to have a material effect on the Company's financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position, results of operations or cash flows due to adverse changes in financial market prices, including interest rate risk, foreign currency exchange rate risk, commodity price risk and other relevant market rate or price risks.

Due to the cash and cash equivalent balances that we maintain, we are exposed to risk of changes in short-term interest rates. At September 30, 2019, we had $21,300,000 in cash and cash equivalents, of which, $16,827,000 was invested in money market accounts, and the balance of $4,473,000 (which is inclusive of cash in overseas bank accounts) was held in non-interest bearing bank accounts. Changes in short-term interest rates could result in changes in the amount of income we are able to generate on available cash. However, any adverse impact on our operating results from reductions in interest rates is not expected to be material.

We do not engage in any activities that would expose us to significant foreign currency exchange rate risk or commodity price risks. When considered appropriate, we repatriate excess cash from foreign operations. Overseas cash balances were approximately $1,707,000 at September 30, 2019, of which $927,000 was in China. Due to the evolving exchange control rules in China, delays can be experienced in transferring funds from China.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to management, including our CEO and CFO, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognized that any system of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

In accordance with SEC rules, an evaluation was performed under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer of the effectiveness, as of September 30, 2019, of the Company’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2019, the Company’s disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2019, that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1A. Risk Factors

There have been no material changes in the risk factors previously disclosed in Item 1A of Part 1 of our Annual Report on Form 10-K for the fiscal year ended June 30, 2019 that we filed with the SEC on August 28, 2019.

ITEM 6. Exhibits

Exhibit 31.1	Certification of Chief Executive Officer Under Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of Chief Financial Officer Under Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1*	Certification of Chief Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2*	Certification of Chief Financial Officer Under Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 99.1**	Form of Equity Incentive Plan-Performance Stock Unit Award Agreement
Exhibit 99.2**	Form of Restricted Stock Unit Agreement
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

*Furnished, but not filed, herewith
**Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirement 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.

COLLECTORS UNIVERSE, INC.

Date: October 31, 2019

By: /s/ JOSEPH J. ORLANDO
Joseph J. Orlando
President and Chief Executive Officer

COLLECTORS UNIVERSE, INC.

Date: October 31, 2019

By: /s/ JOSEPH J. WALLACE
Joseph J. Wallace
Senior Vice President and Chief Financial Officer

INDEX TO EXHIBITS

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**Management contract or compensatory plan or arrangement.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT

I, Joseph J. Orlando, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Collectors Universe, Inc. for the quarter ended September 30, 2019.

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(s) 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(s) 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: October 31, 2019

By: /s/ JOSEPH J. ORLANDO
Joseph J. Orlando
President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Joseph J. Wallace, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Collectors Universe, Inc. for the quarter ended September 30, 2019.

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(s) 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(s) 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: October 31, 2019

By: /s/ JOSEPH J. WALLACE
Joseph J. Wallace
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER
SECTION 906 OF THE SARBANES-OXLEY ACT

COLLECTORS UNIVERSE, INC.

Quarterly Report on Form 10-Q
For the quarter ended September 30, 2019

The undersigned, who is the Chief Executive Officer of Collectors Universe, Inc. (the “Company”), hereby certifies that (i) the Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, as filed by the Company with the Securities and Exchange Commission (the “Quarterly Report”), to which this Certification is an Exhibit, fully complies with the applicable requirements of Section 13(a) and 15(d) of the Exchange Act; and (ii) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 31, 2019

By: /s/ JOSEPH J. ORLANDO
Joseph J. Orlando
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Collectors Universe, Inc. and will be retained by Collectors Universe, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
UNDER
SECTION 906 OF THE SARBANES-OXLEY ACT

COLLECTORS UNIVERSE, INC.

Quarterly Report on Form 10-Q
For the quarter ended September 30, 2019

The undersigned, who is the Chief Financial Officer of Collectors Universe, Inc. (the "Company"), hereby certifies that (i) the Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, as filed by the Company with the Securities and Exchange Commission (the "Quarterly Report"), to which this Certification is an Exhibit, fully complies with the applicable requirements of Section 13(a) and 15(d) of the Exchange Act; and (ii) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 31, 2019

By: /s/ JOSEPH J. WALLACE
Joseph J. Wallace
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Collectors Universe, Inc. and will be retained by Collectors Universe, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

COLLECTORS UNIVERSE, INC.

2017 EQUITY INCENTIVE PLAN

PERFORMANCE STOCK UNIT AWARD AGREEMENT

Issuer: Collectors Universe, Inc., a Delaware corporation (which, together with its consolidated subsidiaries, shall be referred to in this Agreement, as the "Company").

Name of Grantee: (who shall sometimes also be referred to herein as "you").

Grant Date: _________ __, 20__

Number of PSUs that can be Earned (see TSR Adjustment provided for in Exhibit A hereto):

At Threshold:

At Target:

At Maximum

Vesting Date: The Performance Stock Units (or PSUs) granted hereunder will vest, in part or in whole, on the date, on or before ________ __, 20__, on which it is determined by the Administrator under the Plan that at least some of the performance goals set forth on Exhibit A hereto have been achieved, in part or in whole, but shall be subject to forfeiture or accelerated vesting as described herein.

Terms with initial capital letters used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Company's 20[17] Equity Incentive Plan (the "2017 Plan" or the "Plan"). Please review this Award Agreement and promptly confirm your acceptance of the Award and the terms and conditions thereof as set forth in this Agreement by signing the signature page (Page 4) of this Agreement and delivering or transmitting it to the Company's Chief Financial Officer.

1. Grant of PSUs. You have been granted the Maximum number of PSUs shown above pursuant to the Plan and subject to the terms and conditions of the Plan and this Award Agreement. Each PSU represents the right to receive, upon the vesting of the PSU, one (1) share of the Company's common stock, par value $ 0.001 (each such share, a "Performance Share" or a "Vested Share").

2 Prohibitions on Transfers of the PSUs. From the Grant Date until the Vesting Date, you may not sell, assign, transfer, donate, pledge or encumber or otherwise dispose of the PSUs, in whole or in part (except by will or the laws of descent and distribution).

3. Vesting or Forfeiture of PSUs. The PSUs shall vest on the Vesting Date, subject to attainment of at least some of the performance goals for the Company's fiscal year ending June 30, 20[20] ("FY 20[20]"), which are set forth on Exhibit A hereto, or the performance goals established hereafter by the Administrator for the fiscal years ending June 30, 20[21] ("FY 20[21]") and June 30, 20[22] ("FY 20[22]"), respectively, and subject to possible earlier vesting upon a Change of Control (as defined in the Plan and on the terms provided in Section 12 thereof) or as otherwise provided herein, or shall be forfeited upon a termination or cessation of your service with the Company, as provided in Section 4 below. Subject to Section 5 of this Agreement, Performance Shares will be delivered (provided, that such delivery is otherwise in accordance with federal and state securities laws) only with respect to vested PSUs, if any, and then as soon as practicable following the Vesting Date, but in no event later than _______ __, 20[22].

4. Effect of Termination or Cessation of Employment.

4.1 Termination or Cessation of Service. Except as otherwise provided in Section 4.2 below, if your service with the Company shall terminate or cease for any reason, including due to your disability or death, or no reason, at any time prior to the Vesting Date, all of your PSUs shall be forfeited in their entirety, even if some or all of the financial performance goals had been attained by the Company prior to such termination or cessation of employment.

4.2 Continued Service following a Termination of Employment. Notwithstanding the provisions of Section 4.1 above, if your employment with the Company terminates or ceases for any reason or no reason prior to the Vesting Date, there shall be no forfeiture of your PSUs as a result thereof and your PSUs shall continue to be eligible to vest in accordance with this Agreement (to the same extent as if there had been no termination or cessation of employment), if and only if your service with the Company continues in the capacity of a consultant to the Company or any of its subsidiaries or as a director of the Company. However, the continued vesting of the PSUs pursuant to this Section 4.2 shall not be construed for any other purpose to mean that your employment with the Company has not ceased or been terminated.

4.3 No Guarantee of Continued Employment. Neither the grant of the PSUs, this Award Agreement nor any other action taken pursuant to this Award Agreement shall constitute or be evidence of any agreement or understanding, express or implied, that you have a right to continue to be employed by or to provide services as an officer, employee or director of or as a consultant to, the Company for any period of time or at any specific rate of compensation, subject to the applicable terms of any written employment or consulting agreement to which the Company and you may be a party.

5. Effect of Change of Control. If a Change of Control (as defined in the 20[17] Plan) occurs at any time when (i) you are still an employee or director of the Company, or a consultant to the Company or any of its subsidiaries, and (ii) any or all of your PSUs are unvested, then, notwithstanding anything to the contrary that may be contained elsewhere in this Agreement, the applicable provisions of Section 12 of the 20[17] Plan shall govern the vesting or forfeiture, as the case may be, of all such unvested PSUs.

6. No Rights as a Stockholder prior to Issuance of Performance Shares. Unless and until a certificate or certificates representing the Performance Shares shall have been issued by the Company as a result of the vesting of any or all of the PSUs, you shall not have any dividend, voting or other rights or privileges of a stockholder of the Company with respect to the Performance Shares. Without limiting the generality of the foregoing, no dividends or dividend equivalent rights shall accrue on or be payable in respect of any of the PSUs or the Performance Shares that may be issued on settlement thereof, by reason of the fact that the Company has declared or paid any dividends on the outstanding shares of its common stock at any time prior to the issuance to you of a stock certificate or stock certificates evidencing any Performance Shares which have become issuable on settlement of any of the PSUs granted hereunder.

7. Withholding Taxes. It shall be a condition precedent to the obligation of the Company to issue, and your right to receive, any of the Performance Shares that have become vested, that you shall have delivered a check or cash to the Company in, or have authorized the Company in writing to deduct from your salary or wages, the amount reasonably requested by the Company to satisfy the Company's withholding obligations under federal, state or other applicable tax laws with respect to the taxable income, if any, recognized by you in connection with or as a result of the vesting of such PSUs (the "Tax Withholding Obligation"). You agree to execute and deliver such consents or other documents or instruments as the Company or the Administrator may reasonably request to enable the Company to effectuate any such Withholding Arrangements.

8. Section 409A of the Internal Revenue Code. The intent of you and the Company is that payments and benefits under this Award Agreement and the Award be exempt from, or comply with, Section 409A of the Internal Revenue Code (the "Code") and, accordingly, to the maximum extent permitted, this Award Agreement and the Award shall be interpreted and administered to be in accordance therewith. Each payment under this Award Agreement and the Award shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in this Award Agreement and the Award that are due within the "short term deferral period" (as defined in Section 409A of the Code) shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, (i) you shall not be considered to have terminated employment for purposes of this Award Agreement and no payments shall be due to you under this Award Agreement that are payable upon your termination of employment until you would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code and (ii) amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Award Agreement and the Award during the six-month period immediately following your separation from service shall instead be paid on the first business day immediately following the date that is six months following your separation from service (or, if earlier, your death).

9. Clawback of Performance Shares. By accepting this Award Agreement you agree that, upon the request of the Administrator (which may choose, in its discretion, whether or not to invoke its rights under this Section 9), you will immediately transfer back to the Company, free of any liens, claims, encumbrances and any other adverse interests, the Performance Shares issued to you or to pay the Market Value thereof to the Company, in the event any of the performance goals set forth in Exhibit A hereto or established by the Administrator for FY 20[21] or FY 20[22], as provided in Exhibit A, were attained (or mistakenly thought to be attained) due to (i) an error or misconduct by you, or (ii) any event or circumstance which results in a restatement of the Company's financial statements which restatement occurs on or prior to June 30 of the fiscal year following the fiscal year in which you are issued any of the Performance Shares or are paid any amounts (as the case may be) under the Award Agreement. The maximum number of Performance Shares that you will be required to transfer back to the Company would be the difference between (a) the total number of Performance Shares actually issued to you under this Award Agreement and (b) the total number of Performance Shares that would have been issued to you under this Award Agreement absent such error or misconduct or after giving effect to such restatement. If, however, you have previously sold or otherwise disposed of the Performance Shares issued to you under this Award Agreement, you will pay to the Company an amount in cash equal to the difference between (i) the aggregate Market Value, of the total number of Performance Shares actually issued to you under this Award Agreement, determined as of the Vesting Date thereof, and (ii) the aggregate Market Value of the number of Performance Shares that would have been issued to you under this Award Agreement absent such error or misconduct or after giving effect to such restatement, also determined as of the Vesting Date thereof. You also agree that, in the event that you fail to make any such transfer to the Company of the Performance Shares promptly, the Company may withhold from your future compensation the Market Value, of the Performance Shares you failed to transfer back to the Company in satisfaction of your obligations under this Section 9, determined as of the Vesting Date of such Performance Shares. Any obligation to transfer any of the Performance Shares back to the Company will be communicated to you by or on behalf of the Administrator and the right of the Administrator to demand the transfer back of those Performance Shares shall be subject to compliance with law.

10. Limitation on Liability. No member of the Company's Board of Directors, and no member of any committee thereof that serves as the Administrator of the Plan, shall be liable to Grantee for any action or determination made by the Board of Directors or the Administrator with respect to the 20[17] Plan or any grant, vesting or forfeiture of any PSUs that the Administrator has granted or may grant hereunder. No employee of the Company and no member of the Board of Directors or of any committee thereof shall be subject to any liability with respect to duties under the 2017 Plan or under this Agreement unless the party alleging such liability is successful in proving to a court of law that any members of the Board or any such committee or Company employee (as the case may be) knowingly acted fraudulently or in bad faith. To the maximum extent permitted by law, the Company shall indemnify each member of the Board and each member of any such committee, and any employee of the Company, with authority or duties under or with respect to the Plan or this Agreement who was or is a party, or is threatened to be made a party, to any threatened, pending or completed proceeding, whether civil, criminal, administrative or investigative, by reason of such person's conduct in the performance or non-performance (actual or alleged) of his or her duties under or with respect to the Plan or this Agreement.

11. Incorporation of Plan; Entire Agreement; Governing Law. The Plan is incorporated herein by reference. Grantee represents that he/she has received a copy, and is familiar with the terms and provisions, of the Plan. The Plan and this Award Agreement constitute the entire agreement of the Company and you (each, a "party" and, collectively, the "parties") with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements, whether written or oral, of or between you and the Company with respect to the subject matter hereof. This Agreement may not be amended or modified except by means of a writing signed by you and the Company. If there is a conflict between the terms and conditions of the Plan and the terms and conditions of this Award Agreement, the terms and conditions of the Plan shall govern.

12. Applicable Law and Equitable Remedies. This Award Agreement is governed by shall be construed in accordance with the internal substantive laws, but not the choice of law rules, of the State of Delaware, as to all matters, including, but not limited to, matters of validity, construction, effect or performance. In the event of a breach or threatened breach by Grantee, or any of his/her Permitted Assigns, of any of their respective obligations under this Agreement, then, without limiting any other rights or remedies that the Company may have at law or in equity or otherwise, the Company shall be entitled to obtain temporary, preliminary and permanent injunctive relief to obtain a halt to any such breach or to prevent any threatened breach from taking place, and an order of specific performance of the obligation or obligations being breached or threatened to be breached, without the necessity of having to post a bond or other security as a condition to the issuance or continued effectiveness of any such equitable remedies. If any party hereto shall bring an action at law or in equity against the other to enforce or interpret any of the terms, covenants and provisions of this Agreement, the prevailing party in such action shall be entitled to recover its reasonable attorneys' fees and costs from the other par

13. Waiver. No waiver by either party shall be effective unless it is set forth in a writing that is signed by the party asserted to have granted such waiver. Without limiting the generality of the foregoing, neither the failure nor any delay on the part of a party hereto to exercise any right, remedy, power or privilege of such party under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence.

14. Rules of Construction; Headings. The provisions of this Agreement will not be construed against a party by reason of the fact that such party or its counsel was the principal draftsman of this Agreement or such provisions. Unless the context otherwise requires: (i) words importing the singular include the plural and vice versa; (ii) the terms "include" and "including" shall mean "include without limitation" or "including but not limited to"; (iii) the word "or" shall not be deemed to be exclusive; and (iv) unless the context clearly indicates otherwise, the terms "herein," "hereof," "hereto," "hereinafter" and "hereunder" and any similar terms shall refer to this Agreement as a whole and not to the section, subsection, paragraph or clause where any such term appears. Pronouns in the masculine, feminine or neuter genders shall be construed to include any other gender. The Section, subsection and paragraph and any other headings in this Agreement have been inserted for convenience of reference only and shall not affect the construction, interpretation or the application of any of the terms or provisions of this Agreement.

15. Counterparts. This Agreement may be executed in one or more counterparts, and each of such executed counterparts, and any photocopies or digital, electronic or facsimile copies thereof, shall constitute an original of this Agreement, but all of which, when taken together, shall constitute one and the same instrument.

16. **Tax Elections. Grantee understands that he (and not the Company) shall be responsible for Grantee's own tax liability that may arise as a result of the granting or vesting of any of the PSUs. You further acknowledge and represent and warrant that (i) the Company is not providing and has not provided any tax advice to you with respect to the granting to you or the vesting of any of the PSUs or any tax elections available to you in respect thereof and you are relying solely on your own personal tax advisors for such advice; (ii) you have considered the advisability of all tax elections in connection with the grant to you and the vesting of the PSUs, including the making of an election under Section 83(b) under the Code; and (iii) the Company has no responsibility for the making of such Section 83(b) election or any other tax elections, whether under federal or state laws or regulations. In the event you determine to make a Section 83(b) election, you agree to timely provide a copy of that election to the Company as required under the Code.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GRANTEE		**COLLECTORS UNIVERSE, INC.**
______________________	By:	______________________
Name:		Name:
Address:		Title:

EXHIBIT A

FINANCIAL PERFORMANCE GOALS AND VESTING

This is Exhibit A to that certain Performance Stock Unit Award Agreement dated as of ________ __, 20__ (the "Award Agreement" or "Agreement") entered into by Collectors Universe Inc. (the "Company") and ("Grantee" or "you").

1. Definitions. Terms with initial capital letters in this Exhibit A shall have the respective meanings given to such terms in the Award Agreement or in the 20[17] Plan), unless otherwise defined below in this Section 1 or elsewhere in this Exhibit A.

(a) The term "net cash" means the net cash generated by the Company's continuing activities, minus the sum of its capital expenditures and capitalized software costs, determined from the Company's annual audited consolidated statements of cash flows, subject to possible adjustment for unexpected extraordinary or unusual or infrequent events or for other circumstances as and to the extent determined by the Administrator.

(b) "Performance Period" shall mean a three year period comprised of the fiscal years of the Company ending on June 30, 20[20], June 30, 20[21] and June 30, 20[22], respectively (each, a "fiscal year").

2 . Financial Performance Goals -- In General. The financial performance goals which must be met, at least in part, for you to earn any of the Performance Shares under the Award Agreement will consist of annual threshold, target and maximum (i) net cash performance goals for the Company's fiscal year ending June 30, 2020 ("FY 2020"), and (ii) net cash performance goals or other Company financial goals as the Administrator may establish in its sole and absolute discretion for the fiscal years ending June 30, 20[21] ("FY 20[21]") and June 30, 20[22] ("FY 20[22]"), respectively. The annual threshold, target and maximum net cash performance goals for FY 20[20] have been determined and are set forth in Section 3 below. The respective annual threshold, target and maximum Company financial performance goals for FY 20[21] and FY 20[22] shall be determined by the Administrator prior to December 10 of each such fiscal year. The number of PSUs that may vest (before giving effect to any TSR adjustment provided for in Section 5 below) for each fiscal year will be determined on the basis of the extent to which, if any, that the Company financial performance goals for such fiscal year are achieved, subject to (i) the employment or other continued service of the Grantee with the Company to and including June 30, 20[22], and (ii) possible downward or upward adjustment based on a comparison of the Company's total shareholder return ("TSR") for the three fiscal year Performance Period to the TSR of the companies comprising the Russell 2000 Index at the end of that same three year period (the "Russell 2000 Index"), as more fully provided in Section 5 below (the "TSR Adjustment"). Upon achievement of one or more of the financial performance goals in any of FY 20[20], FY 20[21] or FY 20[22], the Performance Shares that may become vested by reason thereof will be subject to possible forfeiture in the event of a termination or other cessation of service with the Company on or prior to June 30, 20[22] or possible TSR Adjustment thereafter shall, for purposes of this Award Agreement, constitute and sometimes shall be referred to in this Exhibit A as "Provisionally Vested Shares".

3. FY 20[20] Financial Performance Goals. Set forth below are the annual threshold, target and maximum net cash financial performance goals for FY 20[20], representing one third of the shares applicable to the first year of the Performance Period:

	Threshold	**Target**	**Maximum**
Net Cash Financial Performance Goal	$	$	$
Number of Provisionally Vested PSUs			

The Maximum number of Provisionally Vested PSUs may be increased by 20% and the Threshold number of Provisionally Vested PSUs may be reduced by 20%, due to the TSR adjustment. *See 5 below*.

The number of Provisionally Vested PSUs will be interpolated between the number of threshold and the number of target Provisionally Vested PSUs if the threshold financial performance goal is exceeded but the target financial performance goal is not achieved or between the number of target and the number of maximum Provisionally Vested PSUs if the target financial performance goal is exceeded but the maximum financial performance goal is not achieved.

4. FY 20[21] and FY 20[22] Financial Performance Goals. On or before December 10, 20[20] and December 10, 20[21], the Administrator will establish the annual threshold, target and maximum financial performance goals for FY 20[21] and FY 20[22], respectively, which will determine if and to the extent that the remaining PSUs granted hereunder will become Provisionally Vested PSUs. Such financial performance goals may take the form of Company net cash financial performance goals or other types of Company financial performance goals as determined in the sole and absolute discretion of the Administrator.

5. TSR Adjustment – Performance versus Russell 2000 Index.

(a) If Grantee is still in the employment or continuous service of the Company on June 30, 20[22] and any of the PSUs granted to Grantee under this Award Agreement have become Provisionally Vested due to the achievement of any of the net cash or other financial performance goals established for FY 20[20], FY 20[21] or FY 20[22], the number of those Provisionally Vested PSUs that will become fully vested and, therefore, the number of Performance Shares that will become issuable to Grantee pursuant to the Award Agreement, shall be subject to adjustment, as and to the extent provided hereinafter, based on the Total Shareholder Return with respect to a share of Company common stock for the three year period ending June 30, 20[22] (the "Company TSR"), as compared to the TSR of a share of stock of each company comprising the Russell 2000 Index for that same three year period ending June 30, 20[22] (the "Index"):

If the Company's Annualized TSR for the three years ending June 30, 2022	**Adjustment to Number of Vested PSU**
At least 12% below the Russell 2000 3-year annualized TSR	20% Reduction
Equal to the Russell 2000 3-year annualized TSR[1]	No Adjustment[1]
At least 12% above the Russell 2000 3-year annualized TSR	20% Increase

(b) The foregoing TSR adjustment will be interpolated if the Company's percentile ranking is between minus 12% and 0% and 0% and plus 12%. No additional adjustment will be made if the Company's annualized TSR is at the 0% level.

(c) Notwithstanding the foregoing provisions of Paragraphs 5(a) and 5(b), however, if the Company TSR for the three year period ending June 30, 20[22] is negative, then, (i) there will not be any increase in the number of Provisionally Vested PSUs that will become fully vested, even if the Company TSR would place the Company above the 0% as compared to the Russell 2000 Index, but (ii) there will still be a reduction in the number of Provisionally Vested PSUs that will become fully vested, as provided in Paragraphs 5(a) and 5(b) above, if the Company TSR would place it below the 0% as compared to the Russell 2000 Index.

Exhibit 99.2

COLLECTORS UNIVERSE, INC.

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") is entered into as of _________ __, 20[19] by and between (the 'Executive"), and Collectors Universe, Inc., a Delaware corporation (the "Company").

R E C I T A L S:

A. Executive is employed as the Company's __________ and in that capacity has rendered and is continuing to render services to, for and on behalf of the Company.

B. The Company's 20[13] Equity Incentive Plan, which was approved by the Company's stockholders on [December 9, 2013] (the "20[13] Plan"), authorizes the Compensation Committee of the Board of Directors (the "Committee"), in its capacity as Administrator under the 20[13] Plan, to grant equity incentives, including restricted stock units, to Company officers and other key employees, directors and outside consultants on such terms and subject to such conditions and restrictions and risks of forfeiture as the Administrator determines. Unless defined in this Agreement, certain terms with initial capital letters that are contained in this Agreement shall have the respective meanings given to them in the 20[13] Plan.

C. The Company desires to grant, pursuant to the 20[13] Plan, Restricted Stock Units (as defined below) to Executive on the terms and subject to the conditions and restrictions and the risk of forfeiture, set forth hereinafter, to provide an incentive for Executive to remain in the service of the Company and to exert added effort towards its growth and success.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

1 . Grant of Restricted Stock Units. The Company hereby grants to Executive an aggregate of _________ Restricted Stock Units (sometimes also referred to herein, as "RSUs"), on the terms and subject to the conditions, restrictions and risks of forfeiture forth hereinafter in this Agreement. As used herein, each "Restricted Stock Unit" or "RSU" means a bookkeeping entry which evidences a right to receive one share of the common stock, par value $0.001, of the Company (a "Share"), and which shall be used solely as a device for the determination of the number, if any, of the Shares to be eventually issued to Executive, if and when any of the RSUs granted hereunder vest pursuant to the terms and conditions and subject to the risk of forfeiture, set forth in this Agreement. Executive shall have no rights of a stockholder of the Company as a result of the grant to him or her of any of the RSUs or by reason of the fact that Shares may become issuable in respect of such RSUs, unless and until such Shares are actually issued to Executive upon the vesting of Executive's unvested RSUs (as hereinafter defined). The RSUs create no fiduciary duty on the part of the Company, the members of its Board of Directors or the Administrator (as defined in the 20[13] Plan) to the Executive and this Agreement creates only an unsecured contractual obligation on the part of the Company to issue Shares subject to satisfaction of the vesting conditions and cessation of the risk of forfeiture applicable to the RSUs set forth hereinafter in this Agreement. The RSUs shall not be treated as property or as a trust fund of any kind or nature and no security interest has been or will be granted and no assets have been or will be set aside by the Company to secure the obligations of the Company to Executive under this Agreement.

2 . Consideration. Executive acknowledges and agrees that (a) he/she is not paying or providing any consideration (monetary or other) to the Company for the issuance of the RSUs to him/her pursuant to Section 1 above and, instead, the Company is entering into this Agreement as an inducement to Executive to remain in the Continuous Service of the Company in accordance with the Schedule set forth in Section 3(a) below, which shall constitute good and valuable consideration for the obligations of and the performance of this Agreement by the Company; and (b) the only consideration to be received by the Company for or in respect of the vesting of any of the RSUs hereunder shall be Executive's Continuous Service with the Company in accordance with the Schedule set forth in Section 3(a) below.

3. Vesting of Restricted Stock Units.

3.1 Unless they become sooner vested pursuant to Subsection 3.4 below, or forfeited pursuant to Section 4.1 below, RSUs shall vest and become "vested RSUs" in three (3) annual installments, at June 30, 20[20], 20[21] and 20[22], respectively, in accordance with the following Schedule:

If Executive's Continuous Service Ceases:	**Number of Unvested RSUs to be Forfeited**
On or prior to June 30, 20[20]	___________
After June 30, 2020 and on or prior to June 30, 20[21]	___________
After June 30, 2021 and on or prior to June 30, 20[22]	___________
After June 30, 20[22]	___________

3.2 RSUs that have not yet become vested RSUs shall sometimes be referred to herein as "unvested RSUs". Notwithstanding anything to the contrary that may be contained elsewhere in this Agreement, no unvested RSUs shall vest after the date of the cessation, for any reason, of the Executive's Continuous Service (as defined below) with the Company.

3.3 As used in this Agreement, the term "Continuous Service" means (i) employment by the Company or any parent or subsidiary corporation of the Company, or by any successor entity following a Change of Control of the Company, which is uninterrupted except for vacations, illness (except for permanent disability, as defined in Section 22(e)(3) of the Internal Revenue Code), or leaves of absence which are approved in writing by the Company, or any of its subsidiaries, if applicable, (ii) service as a member of the Board of Directors of the Company until Executive resigns, is removed from office (in accordance with applicable law), or Executive's term of office expires and he or she is not reelected, or (iii) so long as Executive is engaged as a Consultant to the Company or to any parent or subsidiary corporation thereof or with any successor entity following a Change of Control. Notwithstanding anything to the contrary that may be contained above, a termination of Continuous Service shall not be deemed to have occurred if, within not more than ten (10) days following the termination of Executive's service with the Company or any parent or subsidiary corporation in any one of the capacities set forth above, Executive continues or commences the provision of service to the Company, any parent or subsidiary corporation thereof, or any successor entity following a Change of Control, in any of the other capacities specified above.

3.4 Notwithstanding anything to the contrary that may be contained in Subsection 3.1 of this Agreement, if a Change of Control (as defined in the 20[13] Plan) occurs at any time when (i) Executive is still in the Continuous Service of the Company and (ii) any of the RSUs are unvested, then, notwithstanding anything to the contrary that may be contained elsewhere in this Agreement, the applicable provisions of Section 12 of the 20[13] Plan shall govern the vesting of all such unvested RSUs.

4. Forfeiture of Unvested RSUs upon a Termination of Continuous Service.

4.1 Forfeiture of Unvested RSUs. In the event that the Executive's Continuous Service (as defined in Subsection 3.3 above) terminates for any reason prior to the vesting of all of the RSUs granted hereunder, then, all of the then unvested RSUs shall automatically be forfeited effective on the date of such termination of Executive's Continuous Service, without the necessity of any notice or other action of or by the Company or Executive. Neither the Executive nor any of Executive's successors, heirs, assigns or personal representatives shall have any rights or interests in or to any of the unvested RSUs that are so forfeited.

4.2 Dividends and Distributions. No dividends will accrue or be paid on or in respect of any of these shares that remain unvested RSUs. Executive will be entitled to receive only those dividends that are declared on or after these shares have been issued, in settlement of the vested RSUs, by the Company to Executive.

4.3 No Voting or other Stockholder Rights. Prior to the vesting of any of the RSUs granted hereunder, Executive shall not be entitled to vote, or exercise any other rights of a stockholder in respect of the shares of common stock that will be issuable to Executive if and when any of the RSUs become vested and such shares of common stock are issued in settlement thereof.

5. Timing and Manner of Issuance of Underlying Shares upon Vesting of RSUs

5.1 Issuance of Share Certificate(s). Subject to the Executive's compliance with Section 5.2 below, promptly after any of the unvested RSUs granted hereunder become vested RSUs, the Company shall issue or cause to be issued to Executive a stock certificate, in the name of the Executive, evidencing his or her ownership of the Shares issuable by the Company to Executive upon the vesting of such unvested RSUs, free of the restrictive legends; provided, however, that if Executive is, at the time of such issuance, either a director or executive officer of the Company, that stock certificate may, in the Company's reasonable discretion, bear a restrictive legend to the effect that any sale, transfer, pledge or other disposition of any of such Shares may be made only pursuant to a registration statement that has been filed with and declared effective by the Securities Exchange Commission under, or an exemption from the registration provisions of, the Securities Act of 1933, as amended, and then only in compliance with any applicable state securities laws.

5.2 Withholding Obligation. It shall be a condition precedent to the obligation of the Company to issue, and to the right of Executive to receive, any stock certificate or certificates in settlement of any vested RSUs that the Executive shall have delivered a check or cash to the Company in the amount reasonably requested by the Company to satisfy the Company's withholding obligations under federal, state or other applicable tax laws with respect to the taxable income, if any, recognized by the Executive in connection with or as a result of the vesting of such RSUs (the "Tax Withholding Obligation"), unless the Administrator has approved or approves other arrangements for the satisfaction by Executive of such Tax Withholding Obligation in a manner which, in the Administrator's considered opinion, will satisfy the requirements of applicable tax and securities laws and any other applicable laws. Those other arrangements which Administrator has approved or may approve ("Withholding Arrangements)" may include (i) the deduction or withholding from Executive's salary or wages, or bonus or other compensation, that is or becomes otherwise payable by the Company to Executive, in an amount equal to the Tax Withholding Obligation, (ii) the delivery by Executive to the Company, for cancellation, of a number of shares of Company common stock already owned by Executive with a then Market Value (as defined in the 2013 Plan) equal to the amount of the Executive's Tax Withholding Obligation, or (iii) a reduction in the number of shares of Company common stock that will be issued to Executive in settlement of the vested RSUs by a number thereof that have a then Market Value equal to Executive's Tax Withholding Obligation, or (iv) any combination of the foregoing that has been or is approved by the Administrator. Executive agrees to execute and deliver such consents or other documents or instruments as the Company or the Administrator may reasonably request to enable the Company to effectuate any such Withholding Arrangements.

6. Restrictions on Transferability of the RSUs and on Assignments of this Agreement. As part of the consideration for the grant of the RSUs by the Company to Executive, Executive covenants and agrees as follow:

6.1 RSUs to be Evidenced by this Agreement. The RSUs granted hereunder will be evidenced only by this Agreement and are not and will not be evidenced by any certificate or other instrument and the Company shall have no obligation to evidence the RSUs by any certificate or other instrument.

6.2 Restrictions on Transferability of RSUs. Executive will not sell, pledge, hypothecate or otherwise transfer or dispose of any of the RSUs, either in whole or in part, or any interest therein or right thereto, of any kind or nature, except that RSUs may be transferred to a trust established for the sole benefit of the Executive and/or his or her spouse, children or grandchildren (a "Family Inter-Vivos Trust"), or to Executive's former spouse pursuant to an domestic relations order issued by a court in settlement of marital property rights (each of the foregoing, a "Permitted Assign"). Any RSUs that are transferred as expressly permitted by this Section 6.2 shall remain subject to all of the terms, conditions and restrictions of any risk of forfeiture under this Agreement and it shall be a condition precedent to the effectiveness of any transfer by Executive of any of the RSUs to any Permitted Assign, that such Permitted Assign shall execute an agreement or other instrument or document, in a form acceptable to the Company, which shall provide that such Permitted Assign shall agree to comply with, and that such RSUs shall remain subject to, all of the terms, restrictions, conditions of and risks of forfeiture under this Agreement.

6.3 Restrictions on Assignability of this Agreement. Executive will not assign this Agreement in whole or in part, nor any interest herein or right hereto, except to a Permitted Assign (as defined in Section 6.2 above) and then only in accordance with the same requirements and conditions that apply to transfers of RSUs to Permitted Assigns under Subsection 6.2 above.

7. Adjustments upon Changes in Capital Structure. If there shall occur any change with respect to the outstanding shares of the Company's common stock by reason of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split or other extraordinary distribution with respect to the shares of common stock, or any merger, reorganization, consolidation, combination, spin-off or other similar corporate change that does not constitute a Change of Control (as defined in the 2013 Plan), then, the Shares issuable upon vesting of any of the RSUs granted hereunder shall be subject to possible adjustment as and to the extent provided in Section [11.1] of the 20[13] Plan.

8. Limitation of Company's Liability; Nonpermitted Transfers.

8.1 The Company agrees to use its reasonable and diligent efforts to obtain from any applicable governmental or regulatory agency such authority or approvals as may be required in order to grant the RSUs and to issue Shares to Executive upon the vesting thereof as provided in this Agreement. The inability of the Company to obtain, from any such governmental or regulatory agency, the authority or approvals deemed by the Company's counsel to be necessary for the lawful issuance of the Shares upon the vesting of RSUs hereunder shall relieve the Company of any liability in respect of the non-issuance of such Shares as to which such requisite authority or approvals shall not have been obtained.

8.2 The Company shall not be required to: (i) transfer on its books any RSUs, or any Shares that may be issued upon the vesting thereof, which shall have been sold, pledged, hypothecated or otherwise transferred or disposed of in violation of any of the restrictions on transferability set forth in this Agreement, or (ii) treat as owner of such RSUs or such Shares (as the case may be) or to accord any rights of a stockholder to any transferee to whom such RSUs or Shares shall have been so transferred in violation of this Agreement.

8.3 No member of the Company's Board of Directors, and no member of the Committee or of any subcommittee thereof, shall be liable to Executive for any action or determination made by the Board of Directors, the Committee or any such subcommittee with respect to the 20[13] Plan or any grant, vesting or forfeiture of any RSUs that the Committee has granted or may grant. No employee of the Company and no member of the Board of Directors or of the Committee or of any subcommittee thereof shall be subject to any liability with respect to duties under the 20[13] Plan or under this Agreement unless the person acted fraudulently or in bad faith. To the maximum extent permitted by law, the Company shall indemnify each member of the Board, the Committee and subcommittee (if any), and any employee of the Company, with authority or duties under the 20[13] Plan or under this Agreement who was or is a party, or is threatened to be made a party, to any threatened, pending or completed proceeding, whether civil, criminal, administrative or investigative, by reason of such person's conduct in the performance of his or her duties under the 20[13] Plan or under this Agreement.

9. Notices. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed given when delivered personally or three (3) days after being deposited in the United States mail, by certified or registered mail, with postage prepaid (or by such other method as the Administrator may from time to time deem appropriate), and addressed, if to the Company, at its principal place of business, Attention: the Chief Financial Officer, and if to the Executive, at his or her most recent address as shown in the records of the Company.

10. Binding Obligations. Subject to the restrictions on the assignment of this Agreement and the restrictions on the transferability of the RSUs granted hereunder, all covenants and agreements of the parties contained herein shall bind and inure to the benefit of the parties hereto and their successors and permitted assigns.

11. Interpretation and Headings. No provision of this Agreement, because of any ambiguity found to be contained herein, or for any other reason, shall be construed against a party by reason of the fact that such party or its legal counsel drafted that provision. Unless otherwise indicated elsewhere in this Agreement, (a) the term "or" shall not be exclusive, (b) the term "including" shall not be limiting and shall mean "including, but not limited to," or "including without limitation" and (c) the terms "herein," "hereof," "hereto," "hereunder," "hereinafter," and other terms similar thereto shall refer to this Agreement as a whole and not merely to the specific section, subsection, paragraph or clause where such terms may appear. Pronouns in the masculine, feminine or neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Section, subsection and paragraph headings in this Agreement are included for convenience of reference only and shall not be considered in interpreting, construing or giving effect to any of the provisions of this Agreement.

12. Amendments and Waivers. Except as otherwise provided in Section 18 below, this Agreement may not be amended, discharged or terminated other than by written agreement executed by the parties hereto. No waiver by either party of any of its rights or the obligations of the other party under this Agreement shall be effective unless such waiver is set forth in a writing executed and delivered by the party purported to have granted such waiver and no failure or delay by a party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial written waiver of any right of the waiving party or any obligation of the other party preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

13. Assignment. Except as and to the extent otherwise provided in Section 6 above, Executive shall have no right, without the prior written consent of the Company (which it may withhold in its absolute discretion), to (i) sell, assign, mortgage, pledge or otherwise transfer any interest or right created hereby, or (ii) delegate his or her duties or obligations under this Agreement.

14. Severability. Should any provision or portion of this Agreement be held to be unenforceable or invalid for any reason, the remaining provisions and portions of this Agreement shall be unaffected by such holding and shall continue in full force and effect.

15. Applicable Law and Equitable Remedies. This Agreement shall be construed in accordance with the laws of the State of Delaware without reference to choice of law principles, as to all matters, including, but not limited to, matters of validity, construction, effect or performance. In the event of a breach or threatened breach by Executive, or any of his Permitted Assigns, of any of their respective obligations under this Agreement, then, without limiting any other rights or remedies that the Company may have at law or in equity or otherwise, the Company shall be entitled to obtain temporary, preliminary and permanent injunctive relief to obtain a halt to any such breach or to prevent any threatened breach from taking place, and an order of specific performance of the obligation or obligations being breached or threatened to be breached, without the necessity of having to post a bond or other security as a condition to the issuance or continued effectiveness of any such equitable remedies. If any party hereto shall bring an action at law or in equity against the other to enforce or interpret any of the terms, covenants and provisions of this Agreement, the prevailing party in such action shall be entitled to recover its reasonable attorneys' fees and costs from the other party.

16. No Right to Continue in the Service of the Company. Nothing in this Agreement shall affect the right of the Company to terminate Executive's service at any time, with or without cause, and such right is specifically reserved to the Company, subject to the applicable provisions of any employment agreement that may exist between the Executive and the Company.

17. "Market Stand-Off" Agreement. Executive agrees, and it shall be a condition precedent to any transfer by Executive of any shares of common stock that are issued upon vesting of any of the RSUs (other than transfers effectuated in the public markets), that the person or entity to whom such transfer is made shall agree (a "Permitted Assign"), in connection with any registration of the Company's securities under the Securities Act that, upon the request of the Company or the underwriters managing any public offering of the Company's securities, Executive and any such Permitted Assign will not sell or otherwise dispose, in whole or in part, of any of the shares of common stock of the Company issued in settlement of the vested RSUs, without the prior written consent of the Company or such underwriters, as the case may be, for a period of time (not to exceed 180 days) from the effective date of such registration under the Securities Act as the Company or the underwriters may specify

18. Tax Treatment of RSUs and Section 409(A) of the Code. The RSUs granted pursuant to this Agreement, and the issuance of Company Shares to Executive in settlement hereunder of vested RSUs, are intended to be taxed under the provisions of Section 83 of the Internal Revenue Code of 1986, as amended (the "Code"), and are not intended to provide and do not provide for the deferral of compensation within the meaning of Section 409A of the Code. Therefore, all vested RSUs shall be promptly settled and the issuance to Executive of the Shares underlying such vested RSUs shall be made as provided in Section 6 hereof, but in no event later than March 15th of the calendar year following the calendar year in which such RSUs became vested. Executive shall have no power to affect the timing of such settlement or issuance. The Company reserves the right to amend this Agreement, without Executive's consent, to the extent it reasonably determines from time to time that such amendment is necessary in order to achieve the purposes of this Section 18.

19. **Tax Elections. Executive understands that Executive (and not the Company) shall be responsible for the Executive's own tax liability that may arise as a result of the grant to him or her of the RSUs hereunder or the acquisition of any Shares upon the vesting of any of the RSUs. Executive acknowledges and represents and warrants that (i) the Company is not providing and has not provided any tax advice to Executive with respect to the grant or the RSUs hereunder or the acquisition by Executive of any of the Shares upon the vesting of any of the RSUs or any tax elections available to him or her in respect thereof and that he or she is relying solely on his/her own personal tax advisors for such advice; (ii) Executive has considered the advisability of all tax elections in connection with the grant to him/her of the RSUs and the acquisition of the Shares upon the vesting of any of the RSUs, including the making of an election under Section 83(b) under the Internal Revenue Code of 1986, as amended ("Code"); and (iii) the Company has no responsibility for the making of such Section 83(b) election or any other tax elections, whether under federal or state laws or regulations. In the event Executive determines to make a Section 83(b) election, Executive agrees to timely provide a copy of the election to the Company as required under the Code.**

20. Attorneys' Fees. If any party shall bring an action in law or equity against another to enforce or interpret any of the terms, covenants and provisions of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and costs.

21. Receipt of 20[13] Plan; Entire Agreement. Executive represents that he has received a copy, and is familiar with the terms and provisions, of the 20[13] Plan. The Agreement, together with the applicable provisions of the 20[13] Plan, constitute the entire agreement and understanding of the Company and Executive with respect to, and supersede all other contemporaneous or prior agreements and understandings, oral or written, between the Company and Executive relating to, the subject matter of this Agreement. In the event of any conflict between any of the terms or provisions of this Agreement and any terms or provisions of the Plan, then, in such event, the terms of the Plan shall govern over the conflicting terms of this Agreement.

22. Counterparts. This Agreement may be executed in one or more counterparts and by each party hereto in separate counterparts, each of which executed counterparts, and any facsimile copies, photocopies or electronic or pdf. copies thereof, shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE COMPANY:

COLLECTORS UNIVERSE, INC

By: ______________________________

Signature

Name: ______________________________

Title:

EXECUTIVE:

____

Signature

____

(Print Name)

Address: ______________________________

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