



PRECIOUS METALS INVESTING

## Silver Bars Robbery Underlines Need for Safe Storage Alternatives

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by Nick Barisheff

*Investors both large and small deserve ultimate safety for safe-haven bullion investments*

A violent home invasion and the theft of \$750,000 in silver bars from the private vault of a 52-year-old British Columbia man in January underscores the need for safe storage alternatives for bullion.

At Bullion Management Group, we sympathize with the man who lost his life savings to knife-and-gun wielding thugs who arrived at his door disguised as police officers. It's a pity he didn't know he had a better option for storing his safe-haven investment. The fact is that investors both large and small can conveniently purchase and store bullion with the same levels of security enjoyed by ultra-high-net-worth clients through the BMG BullionBars program.

While wealthy bullion investors typically do not rely on home vaults to store their life savings, they similarly (and for good reason) don't rely on bank safety deposit boxes. Even a single 1,000-ounce silver bar, worth about US\$37,000 at today's prices, would not fit the average bank safety deposit box. Of course, that assumes safety deposit boxes are safe.

In 2008, ABC's "Good Morning America" news team [published a story](#) about the fate of San Francisco resident Carla Ruff's safety deposit box with the Bank of America. The box contained jewelry appraised at \$82,000. With no notice, it was drilled, seized, and its contents turned over for auction to the state of California, marked "owner unknown."

This is by no means an isolated case. As ABC's news team discovered, debt-ridden state treasuries are desperately seeking funds to balance their budgets, and with increasingly flimsy respect for private property, citizens' safety deposit boxes are seen as a viable revenue source.

So are bank safety deposit boxes a viable place to store your silver bullion? Sadly, in the US, no longer. Nor in the UK.

In 2009, *The Mail on Sunday* did an investigative article on an epic police raid that saw more than 500 police officers smash their way through 6,717 safety deposit boxes on a search for illicit weapons and assets derived from criminal activity. In their zeal to apprehend the bad guys, the police soon realized they had breached the security and confiscated the private property of thousands of honest citizens. To add insult to injury, some of the carefully catalogued confiscated items of cash, diamonds and family heirlooms went "missing." One detective told the newspaper: "Everyone presumed we had bagged a load of villains who would not dare claim their iffy property. But thousands of the box-holders complained." One victim, Rabbi Yitzchak Schochet of Mill Hill Synagogue, said, "Safety deposit boxes are supposed to be confidential. The whole situation was very unsettling and an intrusion of privacy."



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While he was right to distrust safety deposit boxes, and wrong to opt for home storage, our robbery victim in British Columbia made the right choice of asset class for wealth preservation. Today's media headlines are full of bad news: instability in the Arab world; the threat of "QE3" in the face ongoing negative forecasts for US housing values; and repeated warnings of impending 1970s-style inflation. This barrage has compelled wise investors to replace or at least balance fiat currency, stock and bond holdings with stores of physical bullion.

With home storage and bank safety deposit boxes off the table, what secure option does today's bullion investor have? The BMG BullionBars program is proving very popular, and for good reason. BMG offers convenient, cost-effective and secure bullion storage to all investors, whether they have large or small holdings. The BMG BullionBars program offers any desired combination of one or multiples of 1,000-ounce silver bars, gold bars in 32.15-ounce, 100-ounce and 400-ounce sizes, and 50-ounce platinum bars, which are stored on an allocated and insured basis in a secure LBMA-approved bank vault in Toronto, Canada. For readers who don't know, the World Economic Forum has ranked Canada's banking system as the world's soundest for the third consecutive year.

With each bullion bar purchased and stored, a physical Bullion Deed is issued that shows the owner's name, bar weight, assayer, purity, fineness and the bar serial number. This process ensures that each bar is allocated to the purchaser (see definition of [Allocated Account](#)). This sets BMG apart, because much of the world's precious metal purchased or traded today is stored in unallocated form (see definition of [Unallocated Accounts](#)).

In the event of the custodian's financial failure, holders of unallocated bullion become unsecured creditors. Note that while there are reports almost weekly of bank failures in the US, in Canada there has not been a single financial institution failure reported [since 1996](#).

Because BMG's allocated bars ensure that title of the bullion is assigned to the purchaser, allocated bullion cannot form part of the custodian's assets, and therefore is not subject to any third-party claims. And if for any reason an owner should desire to take delivery of the bullion, they may do so at their option.

The BMG BullionBars program offers that same level of safe-haven security and convenience to all investors who wish to purchase bullion, a level that until now has only been available to ultra-high-net-worth investors – to store their bullion without risk.



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