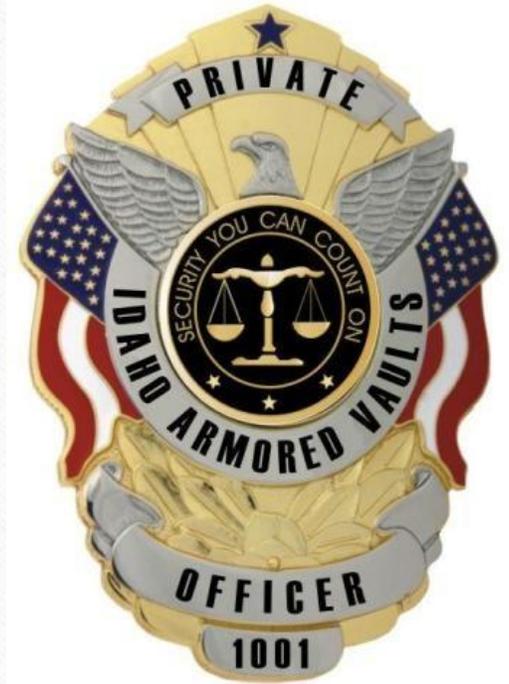


Idaho Armored Vaults & Gold Silver Vault

www.GoldSilverVault.com

208-468-3600



Background

- Registered Investment Advisor since 1992
- Started Profits Plus Capital Management, LLC (RIA) and Dollars and Sense Growth Fund, LP in 2001
- Recognized necessity for physical metal and out of paper in 2006
- Began Idaho Armored Vaults and Gold Silver Vault in 2008
- Specializing in
 - Storage
 - Transportation
 - Shipping Logistics
 - Security
- Profits Plus Precious Metals - advising and transacting in physical metals with individuals and institutions. Providing deep two way market at the facility

Physical Precious Metal Investing: Ownership vs Representation

- Leasing Arrangements
- Balance Sheet Financing
- Bank Unallocated Programs – creditor versus owner
- Unallocated or Pooled Funds – ETFs, Hedge Funds, Mutual Funds
- Allocated or Structured Programs
- Outright physical purchases

Risks- Systematic risks

- Leveraged financial system
- Enormous structural debt issues
- Liquidity driven asset bubbles
- Economic effect on storage provider or structured program (high inflation, general operating costs, security, transportation, insurance)

Risks – Custodian, Sub-Custodian

- Enough insurance to cover exposure at all times, including damage to packaging
- Insider theft/fraud
- Affiliated parties controlling or dependent on vault security, revenue, resources
- The obligations of any subcustodian of theTrust's gold are not determined by contractual arrangements but by LBMA rules and London bullion market customs and practices, which may prevent the Trust's recovery of damages for losses on its gold custodied with subcustodians.
- Under English law, neither the Trustee nor the Custodian would have a supportable breach of contract claim against a subcustodian for losses relating to the safekeeping of gold. If the Trust's gold bars are lost or damaged while in the custody of a subcustodian, the Trust may not be able to recover damages from the Custodian or the subcustodian.

Offerings & Agreements

- Ignore advertising or marketing claims and puffery advertising
- Read the *Actual Terms and Conditions, Agreements, or other Documents* that define responsibilities for both the program and yourself
- Cheaper is not always better
- As you will see, there is a price for peace of mind

Fee Discrimination

- A BIG CONCERN in the industry
- Regular accounts are paying 100% to 500% more than IRA accounts.
- Many Self Directed IRA Custodians and Depositories have agreements to only charge 8 basis point to 15 basis point for segregated or allocated storage. Whereas, normal regular account rates may vary from 50 basis points to 1.5% depending on the type of storage.
- Unless the Depository is making their money on other transaction services, charging this low of a rate may be putting the all clients assets in the depository at risk.

Methods of Storage

- Unallocated
- Allocated
- Segregated
- Definition between segregate and allocate.
- allocate - 1. To set apart for a special purpose; designate: allocate a room to be used for storage.
- segregate - To separate or isolate from others or from a main body or group.

Relationship with Vault

Direct vs Indirect

- Direct – client provides instructions and has a relationship with the actual vault holding the assets.
- Indirect – client hires a precious metals program to store assets. The program may have a master agreement with a vault and is the only one that can provide direction to the third party vault. The client has no relationship with the vault custodian.
 - Very common for precious metal companies to call themselves a depository when they are simply a middleman. They use terms like “Our vaults are fully insured” Our storage facilities are located in various locations” In reality they do not own a vault and simply hire a custodian to store the assets. Common to set up master agreements and make a spread on the storage fee being charged.
 - Very important to understand! The master agreement holder can withdraw or move the metals at anytime from the vault custodian.
 - Banks’ metals programs may be backed with the bank’s balance sheets rather than actual metal.

Risks – Counterparty & Conflict of Interest

- Failure to settle a transaction or take delivery
- Cash settled
- Financial strength of structured program or vault
- Metal at risk to be leased or commingled
- Dealer and vault are one of the same
- Vault or program's interests differ from client
- Limits on recourse

Ask for available documents, agreements, financials.

- Evidence of Insurance
 - Who is the insurers?, the insured?
 - Policy effective date of insurance
 - Policy number
 - Type of coverage – all-risk, commercial policy, warehouse policy, etc
 - The Limit of liability and the deductible
- Financials
 - Determine the financial strength and capitalization of the actual depository or middlemen. For middlemen programs that use third party depositories, these programs are more difficult to analyze because of affiliates and other transaction businesses not disclosed. A credible or trustworthy facility should fully disclose all of its relationships supporting the depository and the financials of those affiliates.
- Storage agreement
 - Determine the actual responsibilities and liabilities the program or vault is agreeing to.

Risks – Transparency and Going Concern

- Affiliated or controlling parties (real estate holding companies, dealers, banks). Remember the storage agreement is between you and the depository or program. If that company relies on other affiliates such as a metals dealer/trading firm, real estate holding company, or other entities to pay the bills or support the business, your assets may be in danger.
- Balance sheet, cashflow (under capitalized depositories)
- Dependence on transaction revenue. Transaction based companies that combine a depository business with a metals transaction business have been suffering the last few years. Many companies have been losing money or lucky to break even.
- Reasonable insurance deductibles
- Fee discrimination (IRA vs Non IRA) continued next slide

Foreign Storage for US Investors

- How are the items being stored? Segregated, allocated, safe deposit box, etc
- Who is actually storing the items?
- What is represented in the storage agreement or structured program agreement.
- Who controls the account and the metal? Third party, middleman, client directly
- Are the assets held directly or indirectly with a foreign vaulting facility?
- All of the above are Reporting considerations for
 - IRS Form 8938
 - *Report of Foreign Bank and Financial Accounts (FBAR)* on FinCEN Form 114
- Fines and penalties for not reporting.

Foreign Investors looking for US Storage

- Obligations and responsibilities of US programs due to AntiMoney Laundering and Know Your Client policies
- Our solution (with some exceptions including Office of Foreign Assets Control (OFAC):
 - No regulation requiring foreign reporting or tax collecting on foreign holder accounts stored in Idaho.
 - No sales tax, no usage tax, no value added tax, no good and services tax on precious metal bullion bars or coins in Idaho. No tax ID or social security number required. Very private form of storage with an established 2 way market.

Risks – Confiscation

- Taxation
- Physical transfer
- Capital/exchange controls
- Missing storage payments (abandonment clauses)

Risks – Privacy

- Government intrusion
- Capital controls
- Providing documentation (tax id, identification)
- Government reporting requirements by individuals (form 8938, FBAR) and storage programs (1099s, delivery value to corresponding tax authority jurisdiction)

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Risks - Political

- Taxes (wealth, value, property, income)
- Socialism, Facisim
- Reporting (AML, KYC, FBAR)
- Capital controls
- Travel restrictions

Risks - Force Majeure

- Inability to receive delivery due to events beyond one's control
 - Settling gold futures contracts with cash or shares of GLD instead of metal
 - Lack of refined metal to fulfill delivery
 - Structured programs or ETFs inability to access their physical holdings with storage facility or Bullion Bank

Risks – Contract

- Hold harmless and limits of liability clauses
- Notification of changes
- Responsibilities to client
- Transparency

Delivery

- Limited couriers
- Sufficient Insurance
- Independent distribution channel outside of traditional couriers
- Restrictions from storage facility or structured programs (metal on hand)

Risks – Social Chaos

- Transportation constraints (uninsured shipping or transit activities)
- Non-secure movement of property
- Crime
- Lack of necessities
- Strain on infrastructure

Risks - Authenticity

- Purity of Product
- Hallmarks or products are not switched, tampered, or counterfieted
- Vault or program receive metal from reputable sources
- Are metals commingled, dealer delivered vs individual delivered

- If wanting segregated storage, look for the word segregated in the agreement.
- Look for the following phrases - **Limitation of liability, Indemnity, Hold Harmless** and how the contract uses these words to escape liability.
- Understand what the program is defining as your account. Some say actual metals, others will use a generic term to describe an account not the actual holdings.
- Ignore marketing pieces that exaggerate claims. “The safest vault in the world”
“The safest jurisdiction in the world”
- Understand who you are talking with and what superiority they have with the organization. Low level customer service reps may not have the appropriate information or experience available to provide proper answers.

Our world-wide storage facilities are fully segregated, insured and audited. Our customer metal is segregated and recorded to ensure accountability. Only has one facility, sub contracts with other facilities.

Segregated Storage – (next sentence) Every customer's precious metals are **fully allocated** and kept completely separate inside the vault.

Truly Secure Your Wealth.is the safest place for your gold, silver and bitcoin. **Nationalization Event Protection**
You will **remain liable for all obligations** related to yourAccount even after theAccount is closed.

A brand new depository building custom-built tospecifications, armored in thick steel and hardened concrete.
.....uses only top-of-the-line UL Class 3 vaults. **Balance sheet shows no such assets of any kind.**

“Program Name” is quick and easy. You could own any quantity of physical gold and silver bullion in about 2 hours.
Your wish to withdraw silver will be accommodated **only in the form of whole numbers of 1,000 troy oz bars.**

The vaults are located in one of the safest countries in the world, in private facilities not tied in any way to the banking industry.
IN NO EVENT SHALL “Program Name” BE LIABLE FOR THE ACTS, OMISSIONS, NEGLIGENCE OR OTHER FAULT OF “Vault Custodian”.

“Program Name” shall have the sole discretion which location of “Vault Custodian “ to store the Precious Metals, but shall notify Customer of such location. “Program Name” shall have the right to use a different custodian, but shall notify Customer of a change in such custodian.

Popular master/sub account Program.....

“Program Name” assumes no responsibility after good delivery of product(s) for any consequence resulting from storing your metalsthrough the use of professional storage services listed on our website.

There are numerous depositories that specialize in storage and safekeeping of precious metals. I understand that the Custodian and the Administrator are not and cannot be held responsible for the actions of these depositories, and **I hereby release and hold harmless Custodian from any damages** that I may incur with respect to my choice of depository and any activities or lack of activities on the part of said depository. Self Directed IRA Custodian

you acknowledge that you will be required to provide a written indemnity to “Program Name”, **indemnifying it against all demands, claims, liabilities, losses, costs, and expenses whatsoever, direct or consequential, which may be incurred in consequence of the Metal being removed from the Vault and collected and moved by you, or being in your personal custody.**

No Warranty. “Program Name” makes no warranty of any kind, whether express or implied, with respect to the weight, fineness, content, identification or value of any Precious Metals that Customer places in the Account. This is coming from a dealer who is selling the metal to the client.

T. Sovereign Immunity and Limitation of Damages

NOTHING IN THIS AGREEMENT SHALL CONSTITUTE A WAIVER OF THE STATE’S SOVEREIGN IMMUNITY FROM SUIT OR LIABILITY EXCEPT AS OTHERWISE PROVIDED BY LAW.

A. Status as a State Agency

The Bullion Depository is an agency ofand is administered as a division within the office of the Comptroller of Public Accounts. As a state agency, we are subject to rules and regulations that **may not be applicable to private entities.**

Our status as a state agency means that **you may have a limited right to sue us.**

Risks – Accessibility and Flexibility

- Facility's loyalty to client
- Ease of access to facility including pickup/drop off of metals
- Length of time to schedule a visit
- Ability for the vault or storage program to meet client's special needs or contract provisions (dual control for corporate or trust accounts)
- Pricing

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