



BULLION
MANAGEMENT
GROUP INC.

PRECIOUS METALS INVESTING

Silver Bars Robbery Underlines Need for Safe Storage Alternatives

July 2015

By Nick Barisheff

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

During a violent home invasion in 2011, \$750,000 in silver bars was stolen from the private vault of a 52-year-old British Columbia man. In 2013, a gold and silver bullion collection valued at over \$200,000, and representing the victim's entire life savings, was stolen from a home safe in Australia. Stories like these underscore the need for safe storage alternatives for bullion.

At Bullion Management Group, we sympathize with the BC man who lost his life savings to knife-and-gun wielding thugs who arrived at his door disguised as police officers, and with the Australian veteran who was the victim of thieves on New Year's Eve. It's a pity the victims didn't know they had a better option for storing their 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\$16,000 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 Bank

of America. The box contained jewelry appraised at \$82,000. With no notice, and marked "owner unknown," it was drilled, seized, and its contents turned over for auction to the state of California.

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.

As described in an April 2015 article by *BBC News Magazine*, London's jewellery district was recently the scene of a raid, with thieves making off with hundreds of thousands of pounds' worth of precious goods from Halton Safety Deposit Box Ltd. In fact, many banks are beginning to phase out safety deposit boxes all together.

Thieves aren't the only concern for safety deposit box owners. In 2009, the *Mail on Sunday* published an investigative article on an epic police raid that saw more than 500 police officers smash their way through 6,717 safety deposit boxes in search of illicit weapons and assets derived from criminal activity. In their zeal to apprehend the criminals, 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



BULLION
MANAGEMENT
GROUP INC.

items of cash, diamonds and family heirlooms went “missing.” “Everyone presumed we had bagged a load of villains who would not dare claim their iffy property,” one detective told the newspaper. “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.”

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 Middle East; the threat of further quantitative easing in the face of ongoing, uncontrolled debt accumulation, and repeated warnings of impending 1970s-style inflation. This barrage of bad news 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 are the secure options for today’s bullion investor? 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:

- Silver in 1,000-ounce, 100-ounce and 10-ounce bars; 10-ounce bars in monster boxes of 50; and 1-ounce silver Maple Leaf coins in monster boxes of 500.

- Gold in 1-kg (32.15-ounce), 100-ounce and 400-ounce bars; and 1-ounce gold Maple Leaf coins in tubes of 10.
- Platinum in 50-ounce bars; and 1-ounce platinum Maple Leaf coins in tubes of 10.

All of BMG’s bullion offerings are stored on an allocated and insured basis in secure, LBMA-member vaults, with the option to store in multiple locations around the world.

With each bullion bar purchased and stored, a physical BullionDeed™ 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.

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—the ability to store their bullion without risk.



Nick Barisheff is President and CEO of Bullion Management Group Inc., a bullion investment company that provides investors with a cost-effective, convenient way to purchase and store physical bullion. Widely recognized in North America as a bullion expert, Barisheff is an author, speaker and financial commentator on bullion and current market trends. For more information on Bullion Management Group Inc., BMG BullionFund, BMG Gold BullionFund and BMG BullionBars™ visit: www.bmgbullion.com; email info@bmgbullion.com; or call 1 888.474.1001.

