

A close-up photograph of gold bullion. In the upper left, a portion of a gold bar is visible, showing its characteristic vertical ridges and a perforated edge. Below it, a textured gold surface, possibly a bar or a large coin, is shown. In the lower right, a gold coin is partially visible, featuring the words "AUSTRALIAN KANGAROO" and "UNITED STATES OF AMERICA" around its edge. The background is dark and textured.

THE BUYER'S GUIDE



TEXAS PRECIOUS METALS

Texas Precious Metals is a Kaspar Companies subsidiary. Kaspar Companies has been continuously operating in South Texas since 1898. The largest employer in Lavaca County, employing more than 500 employees, Kaspar Companies owns — in addition to Texas Precious Metals — Ranch Hand Truck Accessories, Truckfitters, Bedrock Truck Beds, Kaspar Manufacturing, Horizon Firearms, and Silverback Homes. In Shiner, reputation is everything, and we have a lot riding on ours.

Is gold an investment or an insurance policy? What percentage of my portfolio should I convert to precious metals? What is the difference between the many options of coins and bars?

Buying precious metals for the first time can be an intimidating and sometimes frustrating experience. Hopefully this document will dispel your anxieties. Our intent is to expound on the buying process and to answer common questions collected from years of interacting with clients. The good news is that the process is not much different than buying any other product online. It all begins by establishing a plan. We will help you devise that plan by first addressing some general questions.

Are precious metals a good investment?

You will hear many precious metals companies extolling the upside “investment” opportunities of gold, silver, and platinum. In our view, gold and the other metals are less an investment and more an insurance policy. Investments tend to be income-generating, whereas gold and the other metals are “dead” assets. In other words, they act as stores of wealth, but not producers of wealth. For this reason, precious metals might be considered an alternate currency. If gold rises from \$1,000 per ounce to \$5,000 per ounce, the owner is not necessarily any wealthier. Gold’s true value is not measured in nominal (dollar) terms, but in relation to other assets. In other words, if gold becomes 5x more expensive in dollar terms, while cars, homes, food, the stock market, etc., also become 5x more expensive, you have simply retained purchasing power, not grown it.

Investing in gold becomes interesting when gold’s nominal price compared to other assets is perceived to be low. If all asset classes crash by 50%, but gold maintains its nominal value, your purchasing power has increased by a factor of two even though, on paper, the gold price has not moved in dollar terms at all. Gold is relational. Further on we will explore the subtle differences between gold and silver.

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The Decision Tree



How many dollars should I convert into precious metals?

If you are seeking to convert a (relatively) small sum of money into metals, you may be inclined to purchase metals with smaller denominations. The advantage is flexibility. Smaller coins will afford you the opportunity to sell portions of your holdings, or use those smaller denominations for trade. Popular coins for this purpose might be 1-ounce silver coins, junk silver, or fractional denominations of gold. The disadvantage to smaller denominations is that, as a rule, the smaller the denomination the higher the premium on a percentage basis. (It is more expensive to mint 10 of the 1/10th ounce coins than a single 1-ounce coin).

For larger investors, the higher premium costs with smaller denominations can become prohibitive, so it is common for larger orders to veer toward 1-ounce and 10-ounce denominations of gold and 100-ounce denominations of silver.

Should I purchase gold, silver, or a combination?

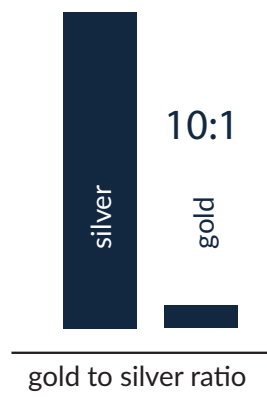
Generally speaking, gold is more “conservative” than silver because the price is less volatile. The silver market is much smaller than gold, and tends to be

a more speculative trade influenced by industrial demand (90% of all mined silver is used in industrial applications). The two precious metals often move similarly up or down in price, so it is less common that gold and silver will move in opposite directions. When precious metals prices increase, silver tends to increase much faster than gold on a percentage basis. Conversely, when prices decrease, silver tends to decrease much faster.

The decision to purchase gold or silver is heavily predicated on purpose and risk tolerance. For those approaching retirement age, or those seeking insurance for a portfolio or currency hedge, gold tends to be a more popular option. For those with greater speculative appetite, silver offers (in the opinion of some) higher upside potential. Additionally, for “preppers” concerned with systemic risk or an apocalyptic shock, silver tends to be valued as a solution for trading or bartering in smaller quantities.

Platinum shares some of the qualities of gold and silver. While commonly (though not always) trading higher than gold, it is a smaller market than silver, with a heavy concentration toward industrial usage.

Some precious metals enthusiasts monitor closely the gold-to-silver ratio, which represents the number of ounces of silver needed to equal an ounce of gold. Historically, this relationship has floated anywhere between 10:1 and 20:1, although the ratio has been much larger in recent decades.



A final consideration is size. A \$100,000 order of silver could weigh 350 pounds, while a comparable gold order would weigh only 6 or 7 pounds (depending on price). When accounting for the stark per ounce price differential, it is important to note that silver is significantly bulkier than gold.

I want to buy gold. Should I buy gold bars or gold coins? Which gold coins should I purchase and why?

There are three main considerations for gold product selection: premium cost, country of origin, and sell-side tax.

Generally, non-legal tender gold bars are cheaper than legal tender coins by a few dollars per ounce. Clients seeking to purchase gold for the least possible price favor gold bars. The larger the bar, the lower the premium per ounce. Gold bars issued from government mints are IRA-eligible. The downside is that the IRS requires precious metals dealers to file a 1099-B form when repurchasing gold bars in increments exceeding 32 ounces per transaction.

(See: <https://www.texmetals.com/sell-gold-coins/>)

Clients purchasing gold coins may choose from several sovereign mints. The premiums on these coins vary depending on whether the country of issue operates its mint like a business or like a government institution.

In our opinion, certain mints, such as the Perth Mint of Australia, operate capitalistically, leveraging efficiencies in the supply chain to offer the lowest premiums to dealers with the intent of increasing market share. On the other hand, the United States Mint tends to be more expensive and less consumer-oriented, outsourcing the production of its coin blanks, which leads to higher costs. The United States Mint tends to operate bureaucratically.

Like gold bars, the Canadian Gold Maple Leaf, the South African Gold Krugerrand, and the Mexican Onza are subject to 1099-B reporting requirements when selling in increments of 25 ounces or more per transaction. All other coins are exempt from 1099-B reporting.

I want to buy silver. Should I buy silver bars, silver coins, silver rounds, or junk silver?

Just as with gold, there are three main considerations for silver product selection: premium cost, country of origin, and sell-side tax. An additional consideration is form factor.

For clients seeking the largest quantity of silver for the least cost (e.g. the best bang for the buck), 100-ounce and 10-ounce bars are a common solution, along with 1-ounce silver rounds, such as the Texas Silver Round. For institutional investors, 1000-ounce bars are also an option, although not generally preferable for retail investors.

The difference between a “round” and a “coin” is important to understand. A round is a privately minted non-legal tender medallion in the size and shape of a coin. A coin is a product minted by a sovereign mint with legal-tender face value. Both options offer the same silver weight, form factor, and purity (ranging from .999 to .9999 pure depending on product). The round, however, tends to sell at a lower premium because private mints are not subject to the same financial burdens — and taxation — as sovereign mints. Some clients prefer the “official” designation of a sovereign coin, while others prefer to acquire silver in their desired form factor at the lowest cost. It is a matter of personal preference.



“Junk” silver is an industry term for pre-1965 U.S. dimes, quarters, half-dollars, and dollars. These coins are comprised of 90% silver. Since they were at one time in common circulation, they generally have significant wear when compared to “Brilliant Uncirculated” coins or rounds. Certain clients are attracted to junk silver because these coins represent the smallest form factor available for silver products, and the premiums tend to be comparable to 1-ounce silver coins on a per-ounce basis. In other words, there is generally no significant increase in premium despite the smaller size. However, it is worth noting, that these premiums tend to fluctuate more than newly minted products due to finite supplies. The United States Mint no longer produces these coins. Hence, there are acute supply/demand sensitivities in the junk silver market that can lead to higher premiums during times of market volatility.

For silver, there are 1099-B reporting requirements when selling bars in increments of 1,000-ounces or more per transaction, as well as with junk silver coins in increments of \$1,000 face value or more per transaction. All other coins or rounds are exempt from 1099-B reporting.

COMMON QUESTIONS

Are precious metals purchases subject to sales tax?

Precious metals purchases are not subject to sales tax in the state of Texas.

When it comes time to sell my precious metals, will the sale be subject to capital gains tax?

Long-term and short-term capital gains tax questions fall under the class of topics for which you should consult an authorized tax professional. It is generally understood that profits derived from the sale of precious metals are subject to a capital gains tax of 28%. The reporting of those gains is subject to U.S. law and the conscience of each individual.

When I buy from Texas Precious Metals, does TPM report the sale to the US government?

Unlike the banking industry, the precious metals industry is currently unregulated. Therefore, the sale of precious metals is a non-reportable event, provided you are not paying for your purchase with cash (physical dollars) in excess of \$10,000 (which warrants the filing of Form 8300) or deemed to be involved in suspicious activity (SARS report).



The government is satisfied that the funds originating from your bank via personal check or bank wire have been pre-screened for suspicious activity because of the mandates presently enforced on banks. In other words, the government is convinced that your bank knows the origin of your funds and is conducting the proper due diligence on its clients. Consequently, precious metals dealers are not subject to additional reporting restrictions, no matter the size of the purchase.

Nevertheless, in our technological age, it would be naïve to assume that the government is not able to easily track the activity of any person of interest via the communications channels (phone, internet, etc.) leading to the purchase. The world is interconnected. Obviously, it is much more difficult for the government to track the whereabouts of the metal once purchased or the line of ownership once it is gifted, traded, lost, stolen, or otherwise dispensed of.

How do I know my metal is real?

There are two origins for the precious metals we sell: the mints, or third-party sellers like clients or other dealers.

More than 85% of all the metal we sell originates from the sovereign or private mint producing the coin or bar. The mint guarantees the weight and purity of these products, and we sell them to our clients in the exact condition we receive them from the mint. We open sealed monster boxes or coin tubes only when orders of uneven increments oblige us to do so.

For orders originating from third-party sellers (clients or other dealers), we test every single product that enters our vault, no matter how large or small, using a combination of methods ranging from water density testing to X-ray fluorescence, among other methods.

I have heard that the government might confiscate gold again like they did in 1933. Is this true?

It is impossible to know whether or not the government will confiscate precious metals at a future time. However, there are three considerations for those anxious about the prospect:

The government can confiscate whatever it wants, whenever it wants, and has been known to seize land and other assets from citizens. In fact, the government presently confiscates a percentage of individual income through various taxes that could rise at any time. Gold is certainly not immune to governmental oversight and regulation.

It is worth noting that, in 1933, the government did reimburse citizens for their gold, albeit at an immediately discounted rate. Therefore, this form of “confiscation” was different than an airport toiletry confiscation by the TSA, for which there is no reimbursement.

Lastly, and perhaps most importantly, it is worth highlighting that the emphasis placed on the 1933 gold confiscation by some precious metals dealers is not without incentive. Certain dealers incentivize their sales force to drive profits. For example, since collectible coins offer higher margins, these opportunistic capitalists emphasize that the 1933 legislation exempted collectible coins. However, many of the products classified as collectibles today were standard bullion coins in 1933. So, the coins being promoted today were actually non-exempt at the time of legislation. In the event of future legislation, it is impossible to know what stipulations the government will place on the citizenry.

Is it better to purchase collectible coins or bullion coins?

Purchasing collectible coins is like purchasing a piece of art. Generally, the predominant value resides in the rarity, artistry, or desirability, not the metal. So, in evaluating collectible coins, it is vitally important to recognize that there are hefty premiums on these coins that sometimes far exceed the metallic value. If you desire collectible coins, ensure that your motivation is not for currency-like fungibility (i.e. easily and quickly convertible into an instrument of equal value).



How do I know I can trust Texas Precious Metals?

We strongly encourage first-time precious metals buyers to thoroughly research our company and others before purchasing. Read online reviews, assess Better Business Bureau complaints, or make a site visit to the company's facility if feasible. The precious metals industry attracts the unscrupulous, so it is important to be diligent.

A BEGINNER'S GLOSSARY

What is bullion?

Technically, bullion is defined as gold and silver in the form of bars or ingots with purity exceeding 99.5%. However, coins with equal or greater purity, or even common sovereign coins that are only 22 karats (91.67%) such as the gold United States Mint Eagle or South African Mint Krugerrand, are generally referred to as "bullion" even though they do not pass the technical definition because they are purchased primarily for their metallic content and not for collectible purposes.

Since the United States Mint Eagle and South African Mint Krugerrand are only 22 karats (91.67% pure), why do they trade at roughly the same price as pure gold products?

Although it is true that the gold Eagle and Krugerrand are only 91.67% pure, they nevertheless still contain 1 troy ounce of gold. Their lesser purity is the result of adding metallic alloys to harden the coins, and so the gross weight of these coins is actually 1.09 troy ounces, with a net gold weight of 1 troy ounce.

What does it mean when a coin is labeled "Brilliant Uncirculated (BU)?"

The term "Brilliant Uncirculated," or BU, refers to coins that have not been in circulation or handled commonly like commercial coins. They show no significant wear. When privately held bullion coins have abnormal wear, they may be designated as "Almost Uncirculated (AU)" or "common."

A common mistake among buyers is to assume that "BU" coins possess the same qualities as "graded" coins. This is not the case. Imperfections in the minting process or slight nicks and scratches do not disqualify a coin from being designated "BU," particularly when these coins are stacked one upon another in tubes while in transit. Customers who are seeking coins in perfect condition buy MS-70 graded coins, and they pay a higher premium for them.

What is the “spot” price?

The spot price of gold is the price of 1 ounce of gold as contained within a 400-ounce gold bank bar traded on the commodities exchange at current market prices. For silver, it is the price of 1 ounce of silver as contained within a 1000-ounce silver bank bar traded on the commodities exchange at current market prices. These prices for “immediate delivery” are distinct from futures prices, which indicate trade value for delivery at a future date.

NOTE: We publish live spot prices on our website. These prices originate from CME GLOBEX. Since precious metals are traded throughout the world on many exchanges, and websites publish these prices at irregular intervals, it is common that slight variations in pricing exist between websites. For example, a website publishing prices from a certain exchange every two minutes will produce slightly different prices than another website publishing every 20 seconds from another exchange.

Additionally, most markets publish a “bid” and “ask” price for these metals, with a slight spread between them. In most cases, dealers buy at the bid (the lower number) and sell at the ask (the higher number). Popular metals charts, like Kitco.com, publish the “bid” price.

At Texas Precious Metals, we blend the “bid” and the “ask” together, which is more favorable to both buyers and sellers (lower price when buying, higher price when selling).

What is the “premium”?

The premium is the markup for a precious metals coin or bar above the spot price. Several factors contribute to a coin’s premium, the most significant of which is the minting cost. Buyers cannot afford (or do not want to purchase) 400-ounce gold bank bars; they want smaller denominations, and those smaller denominations must be minted. In the case of sovereign mints, another contributor is taxes because some governments levy a duty on every coin sold to consumers. Shipping costs from the mints to dealers also contribute to the premium. If the premium for a gold coin is \$50, the dealer may

gross \$10-15 per coin, depending on volume.

For silver and platinum, the same principles apply. In general, Texas Precious Metals will also pay a premium to sellers when individuals are selling back to us, especially for products we carry on our website. Our “buy back” premiums are indicated on individual product pages.

What is the “melt” price?

The melt price is simply the spot price multiplied by the precious metal weight. For a 1-ounce gold coin, the spot price and the melt price are the same. If the gold spot price is \$1,500, and the gold content in the coin is .9675, then the melt price is $\$1,500 \times .9675 = \$1,451.25$.

What is a “troy” ounce?

Most people recall that an ounce is 1/16 of a pound, and when purchasing a half-pound of roast beef at the deli, the butcher will hand us an 8-ounce package. This standard unit of commerce is technically referred to as an “avoirdupois” ounce, and it is used commonly for weighing everything except precious metals and gunpowder.

Precious metals are measured in “troy” ounces, which is a unit of measure that dates to Roman times. A troy ounce is heavier than the avoirdupois ounce, and the conversion is as follows:

$$1 \text{ troy ounce} = 1.09714286 \text{ avoirdupois ounces}$$

So, do not be surprised if your 16 “1-ounce” 99.99 percent pure gold Canadian Maple Leaf coins weigh more than a pound on your kitchen scale. You have not won the lottery, unfortunately. You are simply using the wrong scale.

What is “purity?”

A coin’s purity is calculated as the precious metal weight divided by the total weight. In the case of a .9999 fine gold coin, the gold content is at least 99.99% of the total weight. A gold American Eagle coin contains 1 troy ounce of gold, but the total coin weight is 1.09 troy

ounces (the coin contains other alloys). Therefore, the purity of the coin is $1/1.09 = .917$ or 91.7% or 22 karat.

What is a “graded” coin?

A graded coin is any coin that has been evaluated by a third-party grading service in order to classify the coin's condition using a generally accepted scale ranging from 1 to 70. The two most popular grading services are NGC and PCGS, and they certify both modern and vintage coins. Graded coins are subsequently mounted inside tamper-proof hard plastic cases, known as “slabs,” with a unique serial number archived in the company's database.

What does it mean to “lock in” a price?

Unlike purchasing an item on Amazon, the prices for our products fluctuate with the commodities market every 20 seconds. They are constantly changing. A buyer can “lock in” a price either online or by phone the moment he or she orders. This is known as a “market order” and is fixed permanently the moment the order is placed, whether the price moves higher or lower afterwards.

Amidst these constant price fluctuations, we protect

the company against gains or losses through a process known as “hedging.” We generate profit through product premiums, not by speculating in the commodities markets. As a result, we take a short position on our trading platform — a hedge — against any physical inventory in our possession. Our physical inventory acts as long position. These positions offset each other, thereby negating any price exposure.

When a buyer purchases from our company, we close out our short position and transfer the long position to the buyer. In this way, purchasing precious metals is very similar to buying a stock. Once you execute the trade, there is no reversing it. Our trading staff adheres to the following principle: For every action, there is an equal and opposite reaction. For every sale, we close out the offsetting position. Therefore, once you “lock in” your order, you own the metal at that price.

THE BUYING AND SELLING PROCESS

What is the process for buying precious metals from Texas Precious Metals?

You may place an order online 24/7/365, or by phone at 361-594-3624, Monday through Friday between 8 a.m. and 4 p.m. CST. There is no difference in price when ordering online or by phone. We do not employ salespeople at our company, and there are no commissions or sales pitches. Our staff exists for a sole purpose: to facilitate a low cost, friendly, and efficient purchase. No one will ever pressure you or make a sales call. Our minimum order threshold is \$1,000.

When you purchase, we will require a 5% credit card hold. This is a hold, NOT A CHARGE. When we receive full payment for your purchase, we will release this hold on your credit card. (This process is similar to when a hotel takes a credit card hold at check-in for incidental expenses or room damages. The hotel will subsequently release the hold when you check out.)

Our process is the same, only we release the hold upon receipt of payment.

Why the hold? We hedge all of our bullion. When you place your order, we unhedge our position, exposing us to price movements in the precious metals markets. The credit card hold protects us against any losses in the event of non-payment.

Please note that once an order has been executed, it cannot be reversed. Should you cancel your order or fail to remit payment, you will be subject to a cancellation penalty of \$350 as well as market losses.

How do I remit payment?

You will receive an invoice by email when you place your order. Payment instructions are located at the bottom of the invoice. You are locked into a price the moment you place your order, and all orders are final, per our

ALL ORDERS SHIP WITHIN
3 BUSINESS DAYS
VIA OVERNIGHT DELIVERY



terms and conditions. We request payment within one business day. (If paying by check, mailing within one business day via regular post is sufficient). We recognize that certain customers might need additional time for various reasons, such as rolling money from money market funds, etc. Please call or email us to request an extension. We are happy to accommodate extensions (within reason). We will never cancel an order without first contacting the customer. We do not accept international orders, or payments from international countries. We do not accept payment by credit card.

We do not accept payment by bank check or cashier's check. We treat electronic bill pay checks the same as personal checks. We limit cash transactions to \$10,000 per calendar year. Upon receiving your payment, we will send you an email confirmation, which acts as your payment receipt. There is no sales tax on precious metals purchases.

The U. S. government does not require bullion dealers to report any transactions, unless:

A. You pay with more than \$10,000 in cash (or cashier's checks, which we do not accept). This would require a Form 8300 filing. We do not accept cash transactions greater than \$10,000. NOTE: This rule does not apply to payments by bank wire.

B. You are a drug dealer, terrorist, or otherwise in violation of the USA Patriot Act or Texas Precious Metals AML policy.

There are no 1099-B reporting requirements on the PURCHASE of bullion. However, there are certain reporting requirements on the SALE of bullion by an individual to a dealer.

What is your shipping policy?

Every product we sell is in stock and available for immediate shipment. Unlike most dealers: "If we don't have it, we don't sell it." You will not wait three months for an order like you do with other companies! We strictly observe our policy of shipping all orders within three business days of receipt of payment. (If for some rare and unexpected reason we miss this window, we will do everything in our power to correct and amend.) When your order ships, you will receive an email with a tracking number.

All packages ship for **FREE** via UPS Next Day Air®, fully insured. If a package is lost or stolen in transit, it is our responsibility to file a claim and issue you a new package. We will ship to homes, offices, banks, depositories, or UPS Customer Centers. We will not ship to mail forwarding companies, PO Boxes, APOs/FPOs, or US territories like Guam and Puerto Rico.

We use three vaults for inventory diversification. Our main vault is located in South Texas. We also store at vaults on the East Coast and West Coast. Depending on your location, inventory levels, product choices, or other factors, we will ship from any of our three vaults. Be advised that you might receive a tracking number before our carriers actually scan the package, so if your tracking number does not display tracking information the moment you receive the tracking number, please try again after 5 p.m. CST.

Please note that, for security reasons, we restrict clients from contacting UPS to change delivery instructions. If you need to change your delivery address while the package is in route, please contact our logistics department.

All packing operations are videotaped. In the rare event that we make a mistake, we will review our video logs. We will happily correct any shipping mistakes. Upon completion of your order, you may receive a follow-up phone call to ensure delivery completion.

What if I want to pick up my purchase at your facility?

We welcome clients to pick up orders in person at our facilities in Shiner — “the Cleanest Little City in Texas.” We are open Monday through Friday between 8 a.m. and 4 p.m. CST for client pickup. Please make an appointment. We request at least 24-hour advance notice of your arrival. We do not have a showroom, and for security reasons, our vault is not located at our administrative address. Therefore, your advance notice is greatly appreciated. If you are picking up in person, be advised that we are Texan, so the entire staff is armed.

What is a “limit order”?

A limit order is a standing order with a “commitment to buy” if the gold or silver price reaches a buyer’s desired value. For example, if gold is trading at \$1,500, and a client wishes to buy gold at \$1,490, we can create a limit order for our clients that is automatically executed and placed as an order if the price reaches \$1,490.

1. Limit orders are good for client-specified lengths of time and cancel automatically at 4:45 p.m. EST on the day specified.

2. We input limit orders using third-party hedging software. We can make no guarantees on behalf of the trading platform, and we cannot guarantee that a trade will be executed even if your desired value is met. Once a limit order has been created, we are equally beholden to the trading platform as our clients.

3. A limit order can be changed at any time at no charge as long as the trade has not been executed.

4. A limit order is a firm order. If the limit order is executed, the order cannot be reversed.

5. We confirm all limit orders with a credit card.

NOTE: The commodities market is a 24-hour market trading Sunday night through Friday at 5 p.m. EST weekly. Many limit orders execute in the middle of the night.

What happens when I want to sell?

The process is simple. Call us Monday through Friday between 8 a.m. and 4 p.m. CST to lock in your sell price (major credit card required). You will need to ship your bullion to us within 24 hours of “lock in.” Customers have the option of selecting their own shipping and insurance provider. However, we offer door-to-door pickup and delivery via UPS for your convenience. If you would like us to arrange shipping, we will e-mail you a shipping label for overnight shipment, and we will schedule a pickup for the following day.

We publish our buy-back price on each product page. We also repurchase products we do not sell.

When it comes time to sell your products, the government does require bullion dealers to file reports where applicable. The IRS report is the 1099-B form.

You might wonder why sales of these specific objects are reportable. These reporting requirements are related to the regulations that require brokers to report all proceeds from stock and commodity transactions. These specific objects are currently traded (or used to be traded) on commodity exchanges.



Form 1099-B reporting requirements do not apply to any other coins. They do not apply at all to American Gold Eagles, American Buffalo, Austrian, Australian (Perth Mint Coins), Chinese or any fractional bullion gold coins. Also, they only apply if you sell at least the minimum quantity that is equal to the quantity of a commodity contract for the object.

BUYING AND SELLING PROCESS-IRA ROLLOVERS

How do I rollover my IRA into physical precious metals?

To create or rollover an IRA into precious metals, you must first select a custodian. We can place you in contact with well-established custodians, or you can select the custodian of your choosing.

Once you have selected your custodian, you must fund an account with your custodian and lock in pricing terms with us. Your custodian will issue a bank wire payment to us on your behalf, and we will ship your precious metals to your depository.

What is a custodian?

An IRA is a trust or custodial account set up in the U. S. government for you or your beneficiaries. All IRAs must be held by a custodial entity. A custodian is a designated financial institution — bank, credit union, or licensed non-bank institution — that administers the client's securities. Their services include account administration, financial transactions, tax support, and other related trust management. The fees charged by the custodians vary depending on the services desired by the client.

What is a depository?

A depository is high security private storage facility. Although a custodian is technically allowed to own or manage a depository, it is extremely rare. In nearly all cases, a custodian will use a third-party depository. Therefore, it is necessary that you select the depository at which you would like to store your precious metals. Note that not all custodians maintain agreements with every depository, so be sure to inquire.



Who does the purchasing?

Once you have chosen a custodian, funded your account, and selected your depository, purchasing precious metals is really no different than an ordinary transaction. You may place an order online 24/7/365, or by phone at 361-594-3624, Monday through Friday between 8 a.m. and 4 p.m. CST. We will need to know: 1) Your IRA account number, and 2) The name of a contact person at your custodian. Since your funds reside within the IRA, we must contact your custodian for payment. Once payment has been received, we will ship directly to your depository.

My IRA is "self-directed." Does this mean I can take possession of my bullion?

No. The Internal Revenue Code requires that a custodian safeguard your IRA-held precious metals. A "self-directed" IRA is simply a retirement account that enables the individual to direct the investment decisions.

Is there any circumstance in which I could take possession of my IRA-held precious metals?

It is technically possible for an individual to become the custodian of his IRA, but this process is more complicated legally and falls beyond the scope of this document.

How do I liquidate the precious metals in my IRA?

In a self-directed IRA, you may liquidate your holdings by contacting our trading desk to lock in a "sell" order. We will subsequently issue instructions to your custodian, who will then arrange shipment of your metals from the depository to Texas Precious Metals. We remit settlement via bank wire to your custodian within 24 business hours of receiving your precious metals.

MORE QUESTIONS? CALL US AT 361-594-3624

**WE LOOK FORWARD
TO SERVING YOU!**