



Reduce Precious Metals Storage Risks by Using a Depository ***Keeping bullion and coins in a safe deposit box is not the best option***

New Castle Delaware (July 20, 2011)...Prices of precious metals have climbed steadily over the past decade and gold reached its all time record price of \$1610 an ounce, anyone now thinking of participating in that move by buying bullion bars or coins will need to know the best place to store them, recommends [Diamond State Depository](#). Some people like the idea of holding metals at home but items kept in residences creates security issues; they can be stolen, melt in a fire, or easily vanish in a tornado or flood.

Alternatively, "Safe deposit boxes at banks may seem like a good option, but they are not the best choice," says Mike Clark, President and General Manager at **Diamond State Depository**. "Owners of precious metals need to carefully consider the safest place to keep their bars or coins in the event of a financial collapse or other major event." he says.

Many investors are unaware that safe deposit boxes in banks can be sealed and, in certain circumstances, their contents can be confiscated, Clark notes. The Federal Deposit Insurance Company, which covers financial deposits at federally insured financial institutions if they fail, does not protect the contents of a bank's safe deposit boxes. What's more, the Internal Revenue Service can freeze assets in a safe deposit box while a financial dispute with the owner is being resolved. And now the U.S. Department of Homeland Security can access a safety deposit box under certain circumstances—for instance, if a bank files a suspicious activity report about the client.

Moreover, security issues arise for the owner of precious metals when traveling to and from the bank to deposit into or retrieve them from a safe deposit box. And, they must be physically presented to a dealer for inspection when the owner wishes to sell, a time consuming process in a fast moving market.

Depositories differ from banks in a number of ways, Clark explains. They are usually private companies and tend to be less susceptible to economic cycles and broad financial collapse than banks. Depositories exist to provide the safest and most flexible storage environment for metals, which are independently insured. "While banks have many functions, the primary activity at depositories is secure storage, carried out to the highest industry standards," Clark says.

Storing bullion bars and coins in a depository custody account protects a client from the insolvency of banks and dealers, he adds, as all client assets at a depository are held "off-balance sheet." And the owner can typically sell his metals to a dealer right over the telephone, when they are held in a depository. However, when banks and dealers fail, liquidators take control of their assets, sell them and see that the returns are distributed first to their creditors to creditors.

At a depository, precious metals are held in allocated accounts in the names of customers, who hold full title to their metal. In an allocated account, if the holding facility were to go bankrupt, the owner of the metal has legal title to what's in storage and doesn't have to deal with creditors. The owner of bars or bullion has eliminated counter-party risk, or the chance that the depository cannot live up to its contractual obligations because of bankruptcy.

[Diamond State Depository](#) clients can open a standard custody account, where their metals or coins are stored with those of other customers. Or for a higher fee, they can choose segregated

storage, where their assets are separately held. **Diamond State Depository** will not move a customer's holdings without written instructions by the account holder.

For customer protection, all assets are held off of **Diamond State Depository's** balance sheet. Assets cannot be attached by, or become subject to, the claims of any **Diamond State Depository** creditor.

Diamond State Depository is staffed by precious metals and banking professionals with more than 100 years of combined experience, serving commercial entities and individual investors. "We understand the importance of protecting your physical assets as well as your business information, to give you piece of mind," Clark says.

For more information on **Diamond State Depository**, go to www.diamondstatedepository.com or call 888-322-6150.

About Diamond State Depository

Located directly in the heart of America's primary business corridor, just on the outskirts of Wilmington, Del., **Diamond State Depository** is America's newest and most modern precious metals and certified coin depository. The facility is equipped with the systems, staff, security and insurance to meet the demanding storage and shipping requirements of both institutional entities and individual investors actively participating in today's highly dynamic precious metals bullion and certified coin markets.

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