

LONE STAR
TANGIBLE ASSETS

 **UNITED STATES
GOLD BUREAU**



WHOLESALECOINDIRECT.COM
PRECIOUS METALS INVESTMENTS

TEXAS
BULLION
DEPOSITORY.GOV



OK Senator Bullard- Interim Study 24-003 Gold and Silver Depository

Texas Bullion Depository (“TxBD”)

The Fort Knox of Texas

- The First and Only State-Administered precious metals bullion depository
- Created in response to the Great Financial Crisis of 2008
- Tasked the Texas Comptroller of Public accounts with creation

2013



Initial proposals by Texas legislators
Sponsored by Rep. Giovanni Capriglione

2015



"Today I signed HB 483 to provide a secure facility for the State of Texas, state agencies and Texas citizens to store gold bullion and other precious metals. With the passage of this bill, the Texas Bullion Depository will become the first state-level facility of its kind in the nation, increasing the security and stability of our gold reserves and keeping taxpayer funds from leaving Texas to pay for fees to store gold in facilities outside our state."

Gov. Greg Abbott June 12, 2015

2018



TXBD commences operations
June 6, 2018

2020



State of the art secure facility opens on 10-acre campus in Leander, TX. February 1, 2020.

TxBD State Administration

- TxBD is administered by the Texas Comptroller of Public Accounts (“TCPA”)
 - Comptroller – Glenn Hegar
 - Depository Administrator – Macy Douglas
- TxBD is an agency of the state of Texas
- As an agency of the TCPA follows guidelines for Texas Agencies (as an example, for security)
 - TxBD’s information security program is based on Texas Administrative Code (TAC) 202 Subchapter B, which defines security standards for Texas state agencies.
 - Rule §202.26 of this subchapter calls for agencies to adhere to a catalog of security controls.
 - The Texas Department of Information Resources maintains a prescribed set of information security controls that are aligned with National Institute of Technology Special Publication 800-53.

Oversight & Governance

- The Texas Comptroller of Public Accounts provides management oversight
- Legislation mandates that governance and accountability are always at the forefront of depository operations
- Oversight includes Physical audits, Financial audits, Technology & Security audits, and on-site State police officers from the Texas Comptroller's Criminal Investigation Division





Lone Star Tangible Assets (LSTA) – TxBD Operator

Texas Bullion Depository – TX State Agency

Independent Sole Operator of the Texas Bullion Depository

Outstanding example of Public Private Partnership



Lone Star Tangible Assets, L.P.

- LSTA awarded State of Texas - Comptroller's RFP No. 218h (2017)
- LSTA built and opened purpose-built Depository building (2020)
- LSTA awarded State of Texas - Comptroller's RFP No. 226d (2022)
 - 8 Year renewal through 2030

100% Owned Retail Operations

USGB, LLC

dba, U.S. Gold Bureau



dba, Wholesale Coins Direct





Overview

- 20+ years of precious metals retail operations
- Over \$2.2 billion of precious metals sold to over 150,000 customers
- Authorized bulk purchaser with the United States Mint
- Largest purchaser of numismatic products from the United States Mint
- Two-way market maker for U.S. and other sovereign Mints' products – offering consumers a single business to trade with, buying and selling precious metals

Authorized Retailer



Member



Market Maker



User Experience

Clients of TxBD have industry leading experience and unique peace of mind

- Online account access, automated notifications of account events
- Dual factor authentication required for account access
- Photographic verification of all deposits and withdrawals
- Segregated storage
- Continuous physical asset audits by the Texas Comptroller's office
- Ongoing risk assessment oversight by the State of Texas

How to Deposit Precious Metals



*Sign-In / Create Your
Depository Account*



*Create Your Deposit Record
of the Items You Are
Submitting*



*Print Your Deposit Slip: This
MUST Be Included in Your
Shipment*



*Pack and Ship Your Items to
the Depository*

Underpinnings for User Experience

TxBD user experience is enabled by operational and technical measures including:

- Stringent internal policies around access control, identification and authentication
- OFAC and KYC policies for account creation
- Ongoing periodic 3rd-party penetration testing at TxBD
- Redundant data backups/disaster recovery failover
- RSA and AES 256 encryption (all sensitive data at rest and in transit)



Security

- Multiple, increasingly layered levels of security from the outside perimeter to the vaults
 - Concrete barriers
 - Encircling perimeter fence & gates
 - Biometric entry systems
 - Two-way man traps
 - Secure loading/unloading areas
 - Multiple security forces
 - Texas State Police Officers
 - LSTA armed security team
- Six-sided concrete sarcophagus
- Fully segregated Class III vaulting
- 24-hour video surveillance
- Full background investigations and security checks of LSTA and state of Texas TxBD administrators



Insurance

- 100% of assets at TxBD are covered by an all-risk insurance policy underwritten through Lloyd's of London
- All items deposited to TXBD are automatically covered to the metals' value
- Shipping from TxBD policy coverage



LLOYD'S

Why TXBD?

- Texas-administered, LSTA-operated (Public Private Partnership)
- Immediately available to store, protect and safeguard precious metal assets
- Leverage the large investment dollars already spent in creating a first-class storage facility
- South Dakota v. Wayfair Inc.
 - Favorable sales tax treatment
 - Buy it here – keep it here – in Texas
- 2019 Texas Constitutional Amendment
 - The legislature exempted precious metals, held in a precious metals depository within the state, from ad valorem taxation



Why Not Build Your Own?

- Large capital investments in land and building
- Ongoing operational costs – “PT use FT Specialized skill benefit”
 - Technology
 - Customer service
 - Physical and cyber security
 - Shipping, vault operations
 - Accounting
 - Administration
- Relatively minimal, low margin stand alone revenue
- Tax Uncertainty
- Use TxBD unless or until deposited volumes are large enough to adequately provide returns on capital and ongoing costs



Questions?

<https://www.texasbulliondepository.gov/>

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