

FAQs

Question: Is now a good time to buy gold and silver metals?

Answer: First don't let the day to day price fluctuations steer you off course. If you are convinced that the financial systems are in trouble or you at least want to spread your risk, keep to your original plan. Write your precious metals plan down and stick with it. Don't let your emotions and reactions cause you to make a short term emotional decision. As we stated before it is quite possible that at some point in the future, the price of gold will be manipulated downward so that people will turn loose of it. This would be an easier way to capture the gold prior to a gold standard rather than through confiscation. Remember gold and silver are real money. Less than 2% of the western world owns physical gold and silver. Downturns in the prices are an opportunity to convert paper stocks, bonds, mutual funds and fiat currencies into physical gold and silver investments. Focus on ounces not the specific price of gold and silver metals. Even an orchestrated crash of gold prices will only provide more opportunity for people to buy. The price of gold will return to its real worth. The real issue is that gold and silver metal ounces are real stores of value and worth compared to debased fiat currencies especially during hyperinflation. Stay disciplined and maintain a long term viewpoint.

Question: Will my gold be subject to "confiscation"?

Answer: The possibility exists of outlawing private gold ownership by our government even though it would not make a dent in our US debt. Be aware the government makes, changes and enforces the rules. While the US Constitution says that only gold and silver can be money, this did not stop the government from outlawing private ownership of gold in 1933. The government could outlaw private gold ownership again. Some coin dealers suggest that certain coins are exempt from confiscation. There is no such thing as something the government cannot confiscate. Some of the pre-1933 gold coins that some sellers claim are non-confiscatable are the same coins the government nationalized or outlawed. These coins are just part of the coins the public retained illegally. Since only 23% of Americans turned their gold in during the nationalization in the 1933, it would be far easier to collapse the price of gold. A downward manipulation of the price of gold could cause a sell off. This would be an effective way to achieve the same goal especially before a return to the gold standard. This is another reason to diversify into silver coins since they have not been nationalized in the past like gold.

Question: Should I leave my precious metals in a bank safety deposit box or in a storage program or out of the country?

Answer: No. The banking industry may consolidate and some banks may close. Assets held in a bank may not be readily accessible in the event of a monetary collapse or bank run. As for a storage program, we would be reluctant to this these programs. One can lose assets through mismanagement or fraud. As for holding metals outside the country, the problems are concerning accessibility and reliability. An easy way to avoid such risks is to buy and keep your metals in your physical possession.

Question: Do you have suggestions on where to store my metals?

Answer: Yes, once you have placed an order we can send you a document *How Do I Store My Precious Metals?* You can search on the worldwide web as well for ideas.

Question: What about investing in platinum, palladium or rhodium?

Answer: Gold and silver are money while platinum, palladium and rhodium are only commodities. Gold and silver metals meet the criteria of being a stored value over a long period of time. It has been used for thousands of years as money.

Question: What about investing in the precious metals exchange-traded funds (ETFs)?

Answer: Some well recognized people in the precious metals industry like James Turk have distrust for precious metals ETFs. Some believe ETFs are yet another way to manipulate the price of gold and silver. There a lot of concern as to whether some of the ETFs actually have the physical precious metals in storage. An ETF is a security that is traded on a major stock exchange like the American Stock Exchange (AMEX). When you buy an ETF, you are typically investing in a conglomerate of companies or it may be designed to track the price of a commodity like gold or silver. Another risk is that of gold being nationalized by the government if the metals are stored for the ETF. Again check with your financial advisor. Never the less a core holding of physical precious metals held in your possession is recommended. One of the main reasons to hold precious metals is to hold them outside of the financial system.

Question: What about investing in gold and silver pool and certificate programs?

Answer: You are really just buying a promise to deliver gold or silver in the future. One could call these account IOUs for gold or silver. Theodore Butler in his article "Buyer Beware" warns "These are paper promises or bookkeeping entries." While this is a cheap and easy to purchase metals the question is are the precious metals really there. Check with your financial advisor. An easy way to avoid such risks is to buy and keep your metals in your physical possession.

Question: How do I know if my gold coins are real and not counterfeit?

Answer: For the coins we suggest, this is not a concern. When it comes to coins anyone who handles gold or silver coins would be able to recognize a counterfeit by its weight, feel and sound. Almost 99% of the counterfeiting of coins is in the numismatic type of coins. Counterfeiters use real gold or a lesser carat gold to counterfeit numismatics that sell for much higher premiums. Some legally minted reproduction coins that are first sold as replicas are resold as original and then become counterfeit. Another scam is counterfeit certified coins. The scammer can take some high quality collectible coin to a grading service and upon return replaces the tamper proof coin from the slab with a lower grade or counterfeit. There is a lot of advantage for the scammer to sell a slab counterfeit coin since you can't feel the weight, density or hear the ring of the metal. In counterfeiting gold bars, counterfeiting is done by wrapping the tungsten bar with gold. For these reasons, we suggest the coins types listed under the Products tab of this web site.

Question: Are commemorative coins a good investment?

Answer: Generally you find these coins offered on TV or in magazine ads. The purpose of producing these coins is to honor famous people, events, institutions and places. Commemorative coins are struck in gold, silver and clad (gold plated). Be aware that commemorative coins generally sell for premiums well beyond their bullion. Our advice to you is to stay away from these coins.

Question: Do I have to pay taxes on my precious metals?

Answer: As with any investment whether it is stocks, bonds, real estate etc., you are required by law to report your capital gains to the IRS regarding the sale of your precious metals. Don't confuse the dealer's reporting with your reporting to the IRS. If you made a capital gain or loss, report it to the IRS. Therefore, you should keep all receipts and records. We advise you to seek professional tax advice.

Question: Are there IRS reporting requirements regarding cash transactions for the purchase of precious metals?

Answer: The government is interested in purchases with large amounts of cash. It is not about what you are purchasing but about the cash being used to make the purchase. The government is looking for terrorist, drug, or criminal activity. There are specific criteria that cause a cash or cash equivalent transaction to be reported to the government. We at EEC do not accept cash or cash equivalents for any transactions. We deal by bank wire transfer.

Question: What are the IRS reporting requirements on the purchase or sale of precious metals?

Answer: Since the laws on this subject are subject to change, please talk to a metals representative regarding this subject.

Question: Should I purchase gold or silver precious metals or both?

Answer: Generally a mixture of gold and silver coins and bullion in your portfolio will reduce risk. As with any investment, consider diversification. Your specific allocation may depend on many different factors. For example, what do you currently own in precious metals, how much are you investing, are you concerned about the nationalization of gold etc. Please contact our metals representative to discuss your particular situation.

Question: How much should I invest in precious metals?

Answer: Many investment professional suggest a range from 5 to 20% of your asset allocated into precious metals. Ultimately, this is your decision.

Question: Are my prices locked in once I receive my sales order number?

Answer: Yes.

Question: Can I cancel my order after receiving a sales order number?

Answer: Once we have the sales confirmation number the prices are locked in whether buying from us or selling to us.

Question: Does Eagle European Capital, LLC ever have back orders?

Answer: Back orders sometimes occur when we have a shortage due to demand or the mint shortage. We will communicate with you by e-mail or telephone call. In any event, the price is locked in when you have the sales confirmation number.

Question: Where and how do I wire the funds?

Answer: The instructions are found in the Purchase tab of this web site.