

INFORMATION LINE

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Perspective

Summer is upon us, and, judging from the ticker, it looks like the "Dog Days of August" are hitting the precious metals markets a tad early. Since our last issue, gold has consistently been trading in a range from \$650 per ounce to \$700 per ounce.



Michael Checkan

The bias of late has been to the low end of the range with gold testing support at \$650 yet again. Silver has followed suit with a range from \$13 to \$14 per ounce. Recent bias here is to the low end as well.

There has been a lot of talk that \$650 will be the new floor for gold. If that is true, it will have to withstand a serious test here. Gold was trading barely above this support level as the Swiss National Bank released news that it intends to sell another 276 tons of gold over the next two years. Further, the summer months usually bring the lows of the year for precious metals prices. This isn't always the case, but it was true 12 out of the last 15 years.

The impact of these sales on the market, at face value, should be minimal. Keep in mind that the British Central Bank, back in 2000, sold 450 tons over a relatively short period of time, all below \$270 per ounce. And, the last time the Swiss sold gold, they moved 1,200 tons onto the market over a 5-year period. However, it is difficult to forecast what the psychological impact of the sales will be. No doubt, the emotion will pack a bigger punch than the volume of metal would suggest.

If \$650 does not hold, next support for our beloved yellow metal will be at \$635 per ounce.

Long term, we smell another opportunity to purchase cheap gold and silver.



Rich Checkan

After seeing the euro surge to new highs against the dollar at near \$1.37, the dollar has begun to flex its muscles

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The Secret Your Insurance Company Is Afraid To Tell You and the Government Doesn't Think You Should Know

By Adriane Berg

Do you have all the money you will ever need to live the life you love, even if you live past 100? Do you have all the money you need to thrive at home if you have a long-term illness?

If the answer is no or maybe, it's time to change that, and take action for your long future, today. For years financial planners have been suggesting you try to retire on 70% of your income. Nonsense. They don't take into account the sick dollar, price inflation, and health care costs (the average couple spends \$220,000 out of pocket).

All three impact on your freedom if you become ill.

Take John (real person, fake name.) He was 72 when he received an Alzheimer's diagnosis. Sounds grim, and it's no picnic. But, John has all the money he needs. He started with a trip to Australia. He retooled his home so he could age in place. His wife was secure. He even bought his son's house for a summer place, when his son was relocated. It is 5 years later and with the best therapy and his condition has not worsened.

I can tell you story after story of people with strokes, heart attacks and car accidents that recover fully because they have the money, and thrive.

What do they know that people in nursing homes (like Uncle Junior in the Sopranos who ran out of money) don't know?

They know how to transfer risk to their insurance company. Oh boy – the little voice in your head is saying – is this about selling an insurance policy. Absolutely not. John never bought long-term care insurance and was uninsurable the day he was diagnosed with Alzheimer's.

The secret your insurance company is afraid to tell you is that there are annuity products that also protect you in the event of long term illness, and if you are never ill, the annuity pays you like any other. Some a lot better.

Why won't they tell you about it? Don't

they want to make a sale? Sure. But the NASD, SEC and other regulatory agencies are hot on the trail of those who seek out seniors to sell them high commission annuities that lock them in for years. At the Washington DC Senior Summit on July 18, 2006 they bashed annuities, making companies concerned about offering them to you. In other words the baby may be thrown out with the bathwater.

Don't leave yourself ignorant of the products that can really make a difference in your life. Learn for yourself about all the ways you can protect yourself from financial disaster and live your best life.

E-mail me now to receive a free membership in my Longevity Club. You get important, life saving information, along with 125,000 discounts, teleseminars on becoming a MidLife Millionaire™, group long-term care insurance rates, and access to exotic world travel with like-minded people. Simply send your e-mail address with full name and mention Info Line to me at: adrianeberg@msn.com. I will make sure the answer is "Yes, I am financially prepared for my longevity."

Adriane Berg, is a longevity law attorney and author of "How Not to Go Broke AT 102: Achieving Everlasting Wealth," Wiley & Son. She is founder of The Longevity Club, and creator of legendary seminars: MidLife Millionaire™ and LateLife Millionaire™, which reveals the secrets of what you need to know to have all you want as long as you live.? □

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Currency Corner

Forbidden to U.S. Investors

By John Pugsley

Some of the best investments in the world are strictly “off limits” to U.S. citizens. The companies are not allowed to tell you about themselves. And no broker who wants to keep his license dares recommend them to you.

Consider this warning, which appeared on information released last month by one of the companies I’ve been investigating as a possible recommendation in my newsletter, *The Stealth Investor*:

“THIS NEWS RELEASE IS NOT FOR DISSEMINATION IN THE UNITED STATES OR TO ANY UNITED STATES NEWS SERVICES.”

What’s the reason for such censorship? It’s because our legislators and regulators have decided they know what’s best for you. Unless a company, mutual fund, or other entity registers with them and promises to obey all their ridiculous rules, it is a crime for them or one of their proxies (such as a U.S. stockbroker) to recommend their stock to you.

Thanks to the foresight of our Founding Fathers, who feared runaway government more than anything else, free speech is still protected for most of us. By agreeing to be licensed by Uncle Sam, stockbrokers have “voluntarily” surrendered that right.

I – and every other newsletter writer I know – have not.

That is why my newsletter, *The Stealth Investor*, came to exist. It was created so I could tell a small group of subscribers (currently limited to no more than 250) about the unique “under the radar” businesses I discover.

You can read more about *The Stealth Investor* in the insert that accompanies this issue of *Investor Line*. Right now, I want to tell why the type of companies in which we specialize – junior resource companies – are likely to be the single most profitable investment you can make over the next decade.

A Tsunami of Spending

Recently, a high-level Washington insider has been going around the country, warning about how out-of-control government spending “could swamp our ship of state.”

David Walker sees the situation first-hand. As Comptroller General, he oversees the Government Accountability Office (the GAO), which is charged with auditing the government’s books. Walker has more than 3,000 employees, a budget of a half-a-billion dollars, and an urgent message.

He warns that when the first baby boomers reach 62 — just six months from now — and are eligible for early retirement (they’ll be eligible for Medicare three years later), there will be “a tsunami of spending.” He says – and remember, this is the Comptroller General talking – that the U.S. government is

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	YEAR AGO	CURRENT	
Swiss Franc	\$.8122/Franc	\$.8034/Franc	➡
British Pound	\$1.8365/Pound	\$1.9708/Pound	▲
Japanese Yen	\$.008716/Yen	\$.00814/Yen	➡
Euro	\$1.2721/Euro	\$1.3309/Euro	▲

The Hard Stuff

Keeping Your Tangible Assets Safe and Secure

By Michael B. Clark

Be they rare coins, stock certificates, jewelry or personal mementos, how we protect the assets we deem valuable (and perhaps irreplaceable), is an important consideration involving many factors.

Most of us choose to secure such items in different ways, depending on our circumstances. If we need to access them frequently (e.g., jewelry), or if they are important, but replaceable and not inherently valuable (e.g., a stock certificate), we may simply keep them at home or hold them in a near-by safe deposit box. When it comes to protecting our valuables, “one size does NOT fit all.”

While some individuals literally bury their coins and bullion in their backyards, some also hide them in their garages, attics or basements. While this approach keeps the coins/bullion close and within reach, it also presents number of potential pitfalls. In these circumstances, the owner is likely self-insuring their value, and loss due to theft or destruction by fire – precious metals do melt – are two significant risks the owner assumes. Also, getting the coins/bullion to a dealer quickly (and safely) for sale, when prices may be changing rapidly, is another, less obvious market risk the owner bears when self-storing these assets.

Others may choose to hold these items in their bank safe deposit box. While generally speaking, a safe deposit box provides a high degree of physical security for the assets, the owner must obtain his/her own insurance protection for them, as the bank does not insure the contents of its customers’ safe deposit boxes. And again, selling one’s coins and/or bullion in a timely and safe fashion during a fast moving market can be a serious concern when stored in a safe deposit box.

Still others, for “convenience” reasons, may decide to leave their coins/bullion items on deposit with the dealer from whom they purchased them. BUT, unless the dealer is a known and preferably regulated entity, with a strong financial footing and a solid reputation for service and delivery, this option is probably the riskiest. History is replete with examples of dealers “storing” assets they “sold” to their customers, but never bothered to buy in the first place.

Probably the safest and most flexible means of securing one’s coin and/or bullion assets is to use the personal safekeeping services offered by one of the independent and professionally managed commercial depositories operating in the United States (or elsewhere, should foreign storage be desired). Generally speaking, for a reasonable custody fee, these institutions will accept delivery of coins and/or bullion, and store them within a highly secure and insured vault environment in a personal storage account titled in the owner’s name. Transaction confirmations and periodic account statements are then provided, so the owner always knows

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	YEAR AGO	CURRENT
Gold	\$617.90/oz.	\$653.20/oz. ▲
Silver	\$11.09/oz.	\$13.23/oz. ▲
Platinum	\$1,222.00/oz.	\$1,286.00/oz. ▲
Palladium	\$323.00/oz.	\$375.00/oz. ▲

INSIDE STORY

Art as an Asset Class

By Andrea Carson

Painting's Potential: Tips For the Emerging Art Investor

At auction in recent years, works by established American artists Andy Warhol, Mark Rothko, Roy Lichtenstein, Willem de Kooning and others have set record-breaking prices, selling for upwards of \$15 million dollars apiece. Such top end sales reflect a market explosion not only for work by well-known artists (whose reputations can sustain such prices) but – incredibly – for contemporary works. A painting titled *White Canoe* from 1991 by Scottish-born artist Peter Doig fetched ten million dollars at Sotheby's in February. The forty-eight year-old artist's previous auction sale record was set at two million dollars, eight months prior. And German photographer Andreas Gursky's photograph *99 Cent II Diptychon*, a digitally-enhanced God's-eye view of a discount store, was made in 2001 and sold last year for almost three million dollars, the highest price paid for a work by a living photographer. It was one from an edition of six.

With all this interest in contemporary art, it would be natural to ask yourself if you might be able to find a good investment to hang above your sofa.

You wouldn't be the only one. There's a lot of speculation in the art market now, but buying art with a view to profit is a tricky business. Before you succumb to the colorful painting from your local art gallery or that black and white photograph that you've always admired, arm yourself with the following guidelines. You'll be much more likely to end up with a sound investment.

First, to ensure a good return with little risk, be prepared to spend at least \$25,000 – art funds often require a minimum investment of \$250,000 – on mid-century Modern American masters. Secondly, hire a well-informed art consultant. He or she will make a sound case for important work. A paradox of art investment is that while you should always buy what you love, be prepared to buy something unfashionable. Then, with each piece you consider, ask the following questions:

1. Is the work important? Is it a strong (preferably pioneering) example of a particular art movement?
2. Has the work proven itself critically? Has it been reproduced in books, textbooks and catalogues? Has this artist influenced younger generations?
3. Has the work been exhibited internationally and been acquired by museum and important private collections?
4. Is the artist represented by a mega-dealer? The best dealers provide access to the curators, collectors and museums that strengthen an artist's career.
5. Is it the best available example of the artist's work?
6. Is it in excellent condition? What medium is it? Paintings and bronzes have longevity. Soft sculpture and video installations usually don't.
7. Has the work got an immaculate provenance? Has it been professionally authenticated?

Taking a gamble on a young artist – however popular – requires even more vigilance (and due diligence.) Many art investment funds know the market intimately and are prepared to flip a work if needed. Things to keep in mind are: Is the work's

concept, idea and/or execution truly unique? And how dedicated is the artist's dealer. When the painter John Currin left long-time dealer Andrea Rosen for New York's mega-dealer Larry Gagosian in 2003, his profile, prices – and his appeal to investors – skyrocketed.

The art market has become increasingly competitive – and savvy. There are many more galleries, artists and collectors than there were 50 years ago. Furthermore, the market for strong art is being increasingly diluted by mediocre works as demand increases. The best advice, then, when it comes to investing in art, is to make sure that you truly enjoy your purchase. You'll likely save yourself considerable disappointment, and your living room will thank you for it.

Andrea Carson is a Toronto-based art consultant, writer and curator. She returned to Toronto in 2003 after six years in London, UK where she received her Masters degree in Art Criticism. She is founder and publisher of the online art resource, View on Canadian Art. <http://www.viewoncanadianart.blogspot.com>. Andrea can be reached by telephone at 416-460-3818, or by email at andrecarson@rogers.com.

*"In spite of all romantic poets sing,
This gold, my dearest, is a useful thing."*

Mary Leapor (1722-1746)

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about to be hit by a multi-trillion-dollar shortfall.

There will be a mountain of new claims so large it will be impossible to pay them, he warns. At least not under present arrangements. When asked where the money will come from, Walker shrugs, "Well it's gonna come from additional taxes, or it's gonna come from restructuring these promises, or it's gonna come from cutting other spending."

Those are politically impossible solutions. Politicians can't get elected on promises to raise taxes high enough, or cut federal spending deeply enough, or reduce entitlements substantially enough. So I say, no way will any of these occur. So what will happen?

The solution will come from the same place it always has: the creation of new money by the central government. The Federal Reserve will be forced to print, print, print. The tsunami of new spending means a massive wave of price inflation is sure to follow. The time to get prepared for it is *now*.

Meanwhile, you need to hear David Walker tell the story himself. He was interviewed recently on "60 Minutes." Go to the CBS website at http://www.cbsnews.com/sections/i_video/main500251.shtml?id=2534935n and *watch that interview*.

John Pugsley is a best-selling author, columnist, and frequent speaker at investment conferences. He is the editor of The Stealth Investor, a financial advisory that specializes in little-known resource companies. More information about his letter is available in the enclosed insert or at his website, www.stealthinvestor.com.

BITS & PIECES

Where's Michael?

By Michael Checkan

I continue to be extremely active, traveling the world looking for both investment and business opportunities.

Here is where you are likely to find me in the near future...

The Agora Financial Investment Symposium, July 24-28, 2007, The Fairmont Hotel, Vancouver, British Columbia...

The theme this year is *Rim of Fire: Crisis & Opportunity in the New Asian Era*. You'll get a complete perspective on how a rare confluence of politics, business and the age-old forces of supply and demand could make Asia the profit opportunity of a lifetime.

Join me as we explore today's most important investment story - one that will influence every investment decision you make for the next 10 years. The assembled experts will show where your biggest profits could lie... and what money-stealing schemes to avoid at all costs.

This event will sell-out quickly, just as it did last year.

If you wish to join me, go to <http://www.isecureonline.com/Reports/400SCONF/E400H566/> or call, 1-800-926-6575.

The New Orleans Conference, October 21-25, 2007 - Over more than three decades, the New Orleans Conference has brought together the world's most celebrated leaders, thinkers and investors. Simply put, the New Orleans Conference has made more money, for more people, than any other event of its kind - especially during tumultuous times like today.

But everyone knows that. Here's something most people have yet to realize: *This year's New Orleans Conference will be like nothing ever presented before.* The agenda features dozens of the most exclusive advisors, including Dr. Marc Faber, James Grant and Dennis Gartman...plus a number of yet-to-be-revealed special guests...plus a riveting philosophical debate pitting Ann Coulter against Doug Casey and Susan Estrich!

To register at the exclusive early-bird rate before admission is opened to the general public, call the New Orleans Conference now toll free at 800-648-8411.□

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the exact status of his/her holdings. And, purchases and sales can be transacted with reputable dealers operating at the same location in timely and secure fashion right over the phone.

That said, perhaps the most important consideration is that you choose the storage option for your coins/bullion that enables you to sleep most soundly at night.

Mike Clark is President, First State Depository Company, LLC, Wilmington, Delaware. First State is a private, non-banking depository in Wilmington, Delaware, offering safe storage of precious metals with a particular emphasis on third party graded numismatics. Mike can be reached at 302-765-2760, Ext. 3.□

IRA's Gone Global

By Glen O. Kirsch

For over 20 years, Asset Strategies International, Inc. (ASI) has assisted individuals with the internationalization of IRA's.

ASI is now considered an industry pioneer and leader in developing non-traditional investment vehicles for IRA's.

The dollar counter-cyclical products include: physical precious metals, Perth Mint Certificates, Swiss annuities, foreign bank accounts with ICD's and foreign securities, foreign bank accounts with independent money management, and recently, foreign real estate.

Since the 1980's, ASI has cultivated a group of IRA trustee/ custodians that administrate those alternative investment products in IRA's. Those companies include: **Delaware Charter Guarantee & Trust** (Principal Group), Wilmington, Delaware; **American Church Trust (ACT)** (Gold Star Trust), Amarillo, Texas; **Sterling Trust Company**, Waco, Texas; and **Millennium Trust Company**, Oakbrook, Illinois. And, we continue to engage other possible trustee/custodians to add to this growing list.

Recently, Millennium Trust joined Sterling Trust as the second IRA trustee in the United States to administer Perth Mint Certificates in an IRA.

Millennium has also agreed, for a limited time, to accept IRA account transfers from Delaware Charter for Swiss annuities and foreign bank accounts at no charge. Millennium and Delaware Charter have waived their account opening and closing fees to facilitate these transfers. If you have any questions regarding these transfers, you can contact Rupal Modi with Delaware Charter at 1-800-209-9010, ext. 38545; the Millennium Trust New Accounts Department at 1-800-258-7878; or ASI at 1-800-831-0007.

ASI will continue to keep you informed about IRA account changes or enhancements.□

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across the board. The most recent trigger was a bout of euphoria as the trade figures for April came in better than expected. However, we are not as enthusiastic about this news.

With a deficit of \$58 Billion dollars, that included a widening of the trade imbalance with China, we do not interpret these figures as a trade deficit that is "permanently on the mend." Believe it or not, those were the exact words of some analysts on the news.

So, what is a prudent investor to do?

Take advantage of the Fourth of July sale prices on precious metals to add to your holdings. Similarly, use the recent strength of the U.S. dollar to increase your exposure to the foreign currencies.

After taking these steps, you should be well enough at ease to sit back and enjoy the fireworks...even if they don't get started until the fall.□

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