



To: House Tax Committee
From: Josh McCleary, Co-Founder and COO, OWNx
Date: January 29, 2018
Re: Support for HB 2421

Mr. Chairman and Members of the Subcommittee,

Thank you for the opportunity to voice our support for House Bill 2421. OWNx was founded a decade ago in Lawrence by lifelong Kansas residents with the vision of connecting the world with proven stores of value. The company has grown to serve more than 20,000 clients across all 50 states and Canada with an innovative financial technology platform.

Financial Technology

Recent innovations have made it possible to connect financial assets like never before. OWNx offers a unique connection to precious metals, giving them utility value and integrating them with the rest of the financial world. The OWNx platform is currently utilized by 1) Individual Investors 2) Self-Directed IRAs and 3) as an Employee Benefit.

Gold and Silver as an Investment

For more than 5,000 years, gold and silver have been core assets. They provide financial insurance and stability for individual and institutional investor portfolios. It is important to note that **no other core investment vehicles** (stocks, bonds, etc.) **have sales tax applied to them**. So, investors who are subject to sales tax on precious metals do not consider it a viable option for their portfolio. This eliminates an entire asset class from the diversification and risk-management tools available to today's investors.

Future Considerations at OWNx

Under the current conditions, sales tax on precious metals in Kansas becomes a barrier to remaining in Kansas. Currently, all storage and logistics for our clients' investments are outsourced to third parties in Delaware and Texas. When the decision is made to expand operations or implement other growth initiatives, serious consideration will be made to move the company to a warm, coastal location or another investor-friendly state surrounding Kansas in the absence of a sales tax exemption.

It is our belief that adding the sales tax exemption for precious metals will be a net positive for the state and its citizens. OWNx alone plans to add 20-40 jobs over the next 5 years. Thank you again for the opportunity to speak on this matter.

Respectfully,

Josh McCleary
Co-Founder and COO
OWNx