

**IDEAS  
FOR  
COIN CLUB  
PROGRAMS**



**– 2016 –**

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# The Basics of Coin Collecting

## Introduction

Speaker Tony Swicer is President of the Palm Beach Coin Club and is a full-time coin dealer. He has collected coin since 1959 and started selling coins full time in 1981. He is the President of Florida United Numismatists (FUN) and is an American Numismatic Association (ANA) Regional Coordinator. He has traveled to hundreds of coin shows and auctions nationwide.

## Coin History

- The first coins were minted in 650 B.C. in Lydia, which is currently central Turkey. The likenesses of kings and queens, gods and great moments in history have been on coins.
- Greek Coinage - 550 B.C. - 200 A.D. 7900 different coins minted
- Roman Coinage - 269 B.C. - 518 A.D. 4300 different coins minted • Byzantine Coinage - 518 A.D. - 1453 A.D. (Fall of Constantinople to Turks)
- Dark Ages - 500 A.D. - 1500 A.D.
- Renaissance, 1500 A.D., started in Italy and spread throughout Europe
- Early U.S. coin history includes using foreign coins in America until 1857. Our first coins included the Pine Tree shilling of 1652, Colonial coppers from 1775-1793. Regular issued coinage began in 1793 to the present. Paper money started with Colonial currency, then private bank notes until the Civil War when U.S. notes were issued in 1861. The first coin dealers sprang up in 1860 and by the end of the century the ANA was formed in 1891. Most coin collecting was in the north east where the majority of the population was.
- B. Max Mehl and others promoted the hobby in the early 20<sup>th</sup> century. Whitman came out with their coin folders in the 1930's. The 1955 double-die penny started the error coin craze. The Yeoman "Red Book" has been published every year since 1947. And finally, the State quarter craze has started a whole new generation of coin collectors.

## Basic Needs to Start Collecting

- Red Book ..... \$14.95 to \$16.95
- 5X magnifying glass ..... \$5.00 to \$9.95
- ANA Grading Guide ..... \$15.95
- Coin folders ..... \$4.00

## Coin Publications

- Coin World
- Numismatic News
- Coins Magazine

## Coin Clubs and National Organizations

- Palm Beach Coin Club - 315 members Garden Club  
4800 Dreher Trail North

WPB, FL  
Meets the 2<sup>nd</sup> and 4<sup>th</sup> Wednesdays  
561-964-8180

- Ft. Lauderdale Coin Club - 260 members  
12050 W. Sunrise Blvd.  
Volunteer Park Community Center  
Plantation, FL  
Meets the 2<sup>nd</sup> and 4<sup>th</sup> Thursdays  
561-736-2780
- Treasure Coast Coin Club -110 members  
Indian River Community College  
Building B Room 120  
Ft. Pierce, FL  
Meets the 2<sup>nd</sup> Wednesday  
863-634-8608
- FUN - Florida United Numismatists - 1955 to present, 3700 members  
Cindy Wibker- Secretary  
P.O. Box 471147  
Lake Monroe, FL 32747-1147  
407-321-8747
- ANA - American Numismatic Association - 1891 to present, 29,000 members  
818 N. Cascade Ave.  
Colorado Springs, CO 80903-3279  
719-632-2646

## **Coin Shows**

### **Local**

- 1<sup>st</sup> Sunday every month - Hollywood at the David Park Center
- 2<sup>nd</sup> Sunday every month - Melbourne at the Eau Gallie Civic Center
- 3<sup>rd</sup> Sunday every month - Plantation at the Volunteer Park Comm. Center
- 4<sup>th</sup> Sunday every month - WPB at the American Polish Club, 4725 Lake Worth Road

### **State**

- FUN Show - January 5-8, 2017 in Ft. Lauderdale, FL.
- Summer FUN Show – July 6 - 8, 2017, Orlando at the Orange County Convention Center

### **National**

- ANA National Show - August 1-5, 2017 in Denver, CO
- ANA National Money Show - March 9-11, 2017 in Orlando, FL.

## Dealers and Collectors

- 5000 coin dealers in the U.S.
- 18 million hard core collectors with an estimated 170 million collecting the State quarters
- 450 coin clubs nationwide
- The U.S. Mint is the largest coin dealer

## How to Start Collecting Coins

Most people start collecting coins from the bank. Collect by date and mint mark. Buy the book before you buy the coin. Take your time and absorb all sources of coin information available. Buy the best quality you can afford. Use all sources to acquire coins such as coin shops, coin shows, and coin clubs. Always get second opinions on the grade and price of a purchase. Be careful buying thru the mail and on internet, make sure you have a return privilege. Always get a receipt on big purchases.

## Caring for Your Coins

Don't clean your coins unless you know what you are doing. Keep them from excessive heat or humidity. Coin folders are fine for circulated coins but uncirculated coins should be kept in better albums such as Dansco or individual holders. 2x2 inch flips are ok as long as they don't contain PVC. 2x2 inch cardboards are fine and inexpensive.

## Grading Coins

Grading coins is the most crucial element in collecting expensive coins. Grading is done on a scale of 1 to 70, with 70 being a perfect coin. 60 to 70 is the uncirculated range. The grading of uncirculated coins involves the following:

1. Luster - the brilliance of the coin from striking at the mint
2. Bag marks - Marks made by coins hitting each other and during the mint process. The location, severity, and quantity of marks is critical to the grade.
3. Strike - The sharpness of the design
4. Eye Appeal - Is the coin attractive or ugly?

## Certification

Certification is the process of sending your coins to a third-party grading service for their professional grading opinion. Costs are \$12 per coin and up.

There are 27 third-party grading services but these four are considered the most reliable:

- ANACS - started in 1976
- PCGS - 1986 to present
- NGC - 1987 to present
- ICG - 2000 to present

## The Bullion Market

For the past three years bullion, silver and gold, have been at the forefront of the market.

Everyone wants to buy bullion to protect themselves against inflation or catastrophic happenings. With bullion, the more you buy, the lower the commission is. Also, the larger units you buy, the lower the commission is. Example: Buy three ounces of silver and pay 10% over market plus sales tax. Buy a 100 oz. bar and pay a 3-5% commission. An ounce of gold might cost 4-6% commission. If you buy smaller units you will pay 8-15% commission. Buy 20 ounces of gold and pay ½-1% less. Never let any company store your purchase. Always take delivery. Buying local you can take immediate delivery.

## **Counterfeit Coins**

China is mass producing fake US coins, especially silver-dollar size coins. Learn the correct weights for coins and buy an inexpensive scale for around \$20. Virtually all silver fakes are underweight. Gold fakes are more difficult to tell as they are usually the correct weight.

## **Buying Coins on TV, by Phone, or Newspaper**

One word, *DON'T*. Almost every offer is a bad deal. Buy local or at a major coin show. The most common trick is selling some novelty coin that is gold or silver plated with absolutely no value. Anything that says, “Milled”, “Coated”, “Layered”, or even “Plated” is garbage and has no re-sale value.

## **Selling Your Coins and Jewelry**

Don't clean your coins. Take your coins to a coin dealer, not a pawn shop, not a flea market. Sell to a dealer who knows what he is looking at. Get a couple of estimates.

Major collections worth millions of dollars are sold at auction. For smaller collections, the fees are too high at auction. eBay is another option.

14K jewelry should sell for at least \$25 per Pennyweight, 10K at \$16, and 18K at \$38.

## **Misconceptions about Coin Collecting**

1. The older a coin is, the more it is worth. Wrong. Many Ancient coins are \$2-\$5 each. The value is determined by how rare the coin is (surviving quantity), how high of a grade it is, and the demand for the coin.
2. The longer I hold a coin, the more it is worth. Wrong. The ideal time to sell silver was 1980 when the Hunt Brothers ran it up to \$52 an ounce. The coin market has cycles and timing is everything.
3. Buying all the coins that the US Mint issues is a good investment. Wrong. Some products are good and some are bad. You can make a fast buck on some items when they first come out but then they drop in value. Many Mint products sell below issue price.
4. Some people will not sell their coins until they break even or make a profit. Is this smart? No, absolutely not. You have to learn to sell at a loss and to use the money to make a profit in other areas, this is good business. What if you never break even? Then the money is tied up forever.
5. Buying cheap bulk lots is the smart thing to do. No, if you buy junk today, 15 years from now you still have junk. Buy nice coins and you will never regret it in the future. Remember, this is a 10-15 year deal. Don't expect to buy today and sell tomorrow and expect to make a profit.

6. Buffing and cleaning coins will enhance their value. No, by definition, a cleaned coin can grade no higher than AU-50.

## **Rare Date Coins in Average Condition**

1. Cents
  - Indian Heads - 1866 to 1878, 1908-S, 1909-S. The 1877 is the rarest.
  - Lincolns - 1909 to 1914 with “D” or “S” mint mark, 1922, 1922-D, 1924-D, 1931-S. The 1909-S-VDB is the rarest
2. Nickels
  - Liberty Head - 1885, 1886, 1912-S
  - Buffalo - 1913-1919 with “D” or “S” mint mark
3. Mercury Dimes - 1916-D, 1921-S
4. Washington Quarters - 1932-D or S mint marks
5. Walking Liberty Half Dollars – 1916-S, 1921-S, 1938-D
6. Morgan Dollars – 1893-S, 1894, 1895-S, any “CC” mint mark
7. Peace Dollar - 1921, 1928

## **Typical Values**

- Average circulated silver coins:
  - Dimes, 1964 and before - \$1.80 each
  - Quarters, 1964 and before - \$4.50 each
  - Halves, 1964 and before - \$9.00 each
  - Halves, 1965-1969 - \$2.00 each
- \$1 Silver Certificates - \$1.10 each
- \$2 Bills - Red Seal - \$2.25 each
- \$5 Bills - Red & Blue Seals - \$5.50 each

Here's a tip for when you are at a coin show. Carry a Grey Sheet with you, not a Red Book. You will automatically get better prices. The Red book says “Novice”, the Grey Sheet says “Experienced”.

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## **Consumer Awareness**

By Tony Swicer

## Counterfeiting

Everyone has seen or heard about the massive Chinese production of counterfeits, but what can you as an individual do about it? The first step is to buy a battery operated scale for \$20. If you handle a lot of coins it will be the best \$20 that you have ever spent. Most counterfeits are underweight so always weigh the coin. Look up the correct weight in a coin book. Most counterfeits are underweight by a full pennyweight or more. This does not work for gold coins since most counterfeits are right on the correct weight. But it is great for silver looking coins. An example is a Morgan Dollar, with a standard weight of 26.7 grams, is a fake if it weighs say, 25 grams or less.

Recently, a dealer in Minnesota solicited collectors for their want lists of rare date coins. When he sold them the coins he then ordered copies from China in fake PCGS holders and delivered them to the collectors as real, for large amounts of money.

You cannot assume that a person selling on eBay knows anything about coins, or even that they are asking a fair price. We had a customer order an 1879-CC dollar in uncirculated for \$3,000 online. He received an 1879-P in an NGC promotional holder like those that they give away, worth \$30. Another customer ordered an 1894-P dollar for \$600 under wholesale cost and received an 1894-O with the O removed. Another customer purchased six, 1970-S small date cents from six different sellers on eBay. In every case the pennies were large dates. The sellers didn't have a clue what a small date even looks like.

If you buy coins at a flea market or pawn shop you better get a receipt so that you can return the coin if it is fake. We had a customer buy a fake 1894-P dollar for \$600. He went to take it back and the vendor said, "I don't know what you are talking about, I have never seen you before, get out before I call the police". End of story.

I looked at eBay last week and there were seven counterfeit 1893-S Morgan Dollars for sale at \$1500 each. All were steel grey and the digits were wrong. The vendor had six previous sales which probably means if you send him the money you will never see it again. He will open up under a different name at a later time. A customer came into the store with a slabbed 1894-P Morgan that he bought off eBay for \$400. The coin was a fake but what an ingenious idea to put the coin in a slab to make it appear that it was genuine. You can't take it out of the holder to weigh it but by the same token, it should be easy to return because you have not taken it out of the holder.

Paper money that is burnt orange in color and very rough to the touch is usually fake. These repo's are sold at historic sites such as Gettysburg, St. Augustine, Key West, etc. in packets. After years go by the owners loose the packet but keep the notes. There were also a large number of Confederate repo's made in 1960 with the word "Facsimile" on the back of the notes in the bottom left corner. All these notes are novelty items with little or no value.

## Buying Coins

Never buy coins out of the newspaper, television, or over the phone; you are asking for trouble. TV and newspaper ads typically sell what I call "Novelty Items". Anything painted, plated, or not issued by the US Mint is a Novelty item. It has no collector value and will never be worth anything. Examples are: Painted American Silver Eagles, plated State Quarters, Obama coins, etc. If it is not listed in the Red Book, it is not collectible. Key words to look for that tell

you the item is junk are: “Copy” on the back, “Layered in”, “MIL”, “CLAD”, “24KT”, and “cupo-nickel”. All these terms mean the items that they are selling are garbage with no precious metals in them.

Silver items that are not clearly marked “.999” or “Sterling”, or “One ounce of silver” are not silver, they are junk, plated. If you see a large one troy pound Silver Eagle, it must have the word “Silver”, “.999”, “Sterling”, or “Pure silver” on it or it is plated. There are some cases where “Clearly Marked” is not good enough. We had 5oz. Chinese silver Pandas come in clearly marked, “.999 5oz AG” and they were plated junk. They weighed 3 1/2oz. each.

Television and newspaper ads sell sets of coins that are meaningless, such as World War II coinage, Presidents, Indians, Old West coins, 20<sup>th</sup> Century Type Set, Coins of Yester-Year, etc. Generally what you get is polished coins in fancy packaging and fancy packaging does not make the coins valuable. If the coins are not polished they are low grade and readily available. The fancier the package the greater your loss will be. Walnut and Cherry wood boxes should tell you, “I’m getting the shaft”. Many of the Marshall Island and Hutt River coins were sold in nice wood boxes. Just think Isaac Hayes and Shaft.

Another area brought on by TV and other media is “Certified Bullion”. Why certify bullion if it is only worth its bullion value and always will be? Premiums put on graded bullion coins are ridiculous. If you were to send in 500 Silver Eagles for grading, all would come back graded MS-69 or MS-70. So why grade bullion or any other modern coin for that matter? Certification was developed to grade old coins, not for perfect, new ones right from the Mint. Another added trick was the term “1<sup>st</sup> Strike” or “Early Strike”. Take these coins to a coin dealer and see where it gets you.

The standard markup for many telemarketers is 40% over CDN bid, or more. A local gentleman purchased several million dollars worth of US coins from a major telemarketer at 40% over bid. He died and I did an appraisal at a million under what he had paid. The lawyers could not understand why the appraisal was so low. I said simple, “He paid too much and he should have bought local where he would have gotten a better price”. Another customer bought five heavily cleaned Peace Dollars for \$200 and he could not understand why we were paying only \$60.

The bait and switch is used in the full page newspaper ads. Buy 1/10oz. Gold Eagles at say \$155 each, which is a good price. But on the phone they try to switch you to say 1/2 oz Gold Eagles certified MS-69 at \$995 each. We had one of our customer’s do just that and she lost half her money at the point of sale by being over charged.

Have you ever seen anybody make money from buying a coin from a sunken ship? I have not. Spanish ship wreck coins sold for \$600 and wholesaled as cheap as \$100, with certificates. A Seated Half Dollar from a US ship wreck at \$1500 is about \$1400 overpriced. \$20 gold pieces at \$8,000 are \$4,000 over priced. Hoard coins from “Binions” or the “Continental Illinois Hoard” are priced double a normal coin. When you sell the coins, you get regular pricing.

## **Cleaned Coins and Copper Coins**

A key indicator of cleaning on any coin is a “halo” around the stars on Morgan Dollars and gold pieces, or difference in shades of color in protected areas of the coin. Near the raised areas of a coin the cleaning cannot change the color.

When the coin is very shiny but there is lots of surface wear, that is an indication of cleaning.

Copper coins in Florida are tough to collect in Mint Red due to the constant high humidity. Do not buy early date copper in uncirculated grade that is not certified, otherwise you are asking for trouble. A large percentage of uncertified copper will not grade. Why didn't the owner send it in? Well, he probably did, it didn't grade, and now you are looking at it. We have had Lincoln cents in certified holders that were Red & Brown, turn brown within a few months.

## **Selling Jewelry**

Compare dealer pricing. A good price is anything over \$25 per pennyweight for 14kt. House parties pay about \$20 dwt. People advertising on the street corner pay \$12 dwt. A certain party that has you mail in your gold pays \$4 to \$8 dwt. This company said that it has purchased from one million customers. Now you can see why full page ads in the newspaper, selling absolute junk, work. There are plenty of suckers out there. The key to selling jewelry properly is to get several estimates and then sell to the highest bidder.

## **Standard Weights**

- Chinese silver crown, 1900's ..... 26.4 - 26.8 grams
- Spanish 8 Real, 1740's - 1820's ..... 27.1 grams
- US Flowing Hair Dollar, 1794 – 1804 ..... 26.96 grams
- US Silver Dollar, 1840 – 1935 ..... 26.73 grams
- US Trade Dollar, 1873 – 1878 ..... 27.2 grams
- US Silver Eagle, 1oz., 1986 to date ..... 31.1 grams
- US Silver Half Dollar, 1873 – 1964 ..... 12.5 grams
- US Silver Quarter, 1873 – 1964 ..... 6.25 grams
- US Silver Dime, 1873 – 1964 ..... 2.5 grams

## **Helpful Hints**

By Tony Swicer

1. Carry a Grey Sheet to the coin show, not a Red Book. Make sure the dealer you are dealing with see's the Grey Sheet. You will probably get a better price.
2. It is acceptable to bargain on the price of an expensive coin. After all, dealers haggle over prices all the time.
3. Always use a magnifying glass when buying a coin.
4. If you get quotes on coins over the phone, ask a local dealer what his price is. Ask before you buy, you can save a lot of head aches and money.
5. Don't use tape on coins.

6. For bulk coins use rolls, either paper or plastic tubes. Cardboard 2x2's do not make a coin worth more money.
7. Coins that are black, are corroded, or otherwise damaged, should not be saved.
8. Don't clean a coin just to make it shiny. Dipping should only be done on coins with mint luster under the toning. Heavily circulated coins should not be cleaned.
9. If cleaning is necessary, the least harmful cleaner is acetone. Second is ammonia, and finally a dip like Jeweluster. Use a cotton swab with the first two cleaners.
10. What makes a coin rare? Low mintage combined with a low survival rate, high quality, and demand for the item.
11. TV, printed media, and telemarketers will push modern coinage in certified holders grading MS or PR-69 and MS or PR-70. Therefore, some people are under the misconception that these coins are valuable. The fact is that most modern coins all grade 69 or 70 because of the modern technology used to mint coins today. If everything minted will grade 69 or 70 then that is the accepted norm. There is no need to pay more for these coins when they are average grades for the series. If you purchase a 500 count box of Silver Eagles still sealed from the mint, 55% will grade MS-69, and 45% will grade MS-70. Anything else is not the norm.
12. Be aware of thousands of fake coins coming out of China. Most fakes are under the standard weight. Silver coins are usually plated silver on brass. Many of these fakes show up at your local flea market for bargain prices.
13. There are two separate coin markets in our country. One market is the traditional coin market where you go to coin shops, coin clubs, and coin shows and bid at auctions. Then there is the online market such as e-Bay where buyers and sellers get together worldwide. The traditional market has been around for years with a set structure such as a Grey Sheet to know wholesale and retail pricing. We have a guiding governing body, the ANA and the dealer organization, the PNG. If there is a problem, we can usually fix it. Most dealers are professional.
14. With the online market you have anyone under the sun putting items up for sale, many times with no clue of the value or authenticity. There is virtually no one to police the internet. The server doesn't police fakes well. How do you get your money back from China when the coin is a fake?
15. I call online trading the "Final Frontier". If you can't get your money for an item there, then there is no where else to go. Here's an example: If a coin sells online for \$15, in the traditional market it may sell for \$10. So if you buy online, don't expect to sell the item in the traditional market for a profit.
16. Numismatic items not made by the US Mint are generally called novelty items and they are of little value. A 4 oz. silver piece that looks like US currency, large silver items that resemble a US coin, such as a Silver Eagle, and "Tribute coins" that are reproductions are examples of novelty items. They are not collected by most coin collectors.
17. The Grey Sheet has a "Bid" and "Ask" price for most coins. Bid is generally thought of as the price a dealer somewhere in the country is willing to pay for that specific coin. The Ask is what a dealer is willing to sell for. Very rare coins can sell over bid and ask. Very common coins can sell well below bid, such as proof sets and mint sets which are plentiful. The Grey Sheet is a guide!!!!

18. If you are at a flea market or garage sale and you are looking at silverware, it must be hallmarked with the magic word “Sterling” or “.925”. If neither of these two terms is on the item then there is a 99% chance the item is silver plated and worthless.
19. Any item marked .999 silver, 10 MIL, is plated. Anything with “MIL” in the title is plated.
20. To get the latest price of gold and silver, go to [www.kitco.com](http://www.kitco.com).
21. To figure out what dealers should be paying on 90% silver coin, take spot silver times .715. Example: Silver at \$47 oz. times .715 = 33.6 times face = melt. Now allow .5 off, and you can get 33.1 times face from the dealer.
22. Florida coin dealers are generally easier to deal with than dealers from the northeast. You can generally get a cheaper price on a coin. I always found that I could deal easier in the mid-west and west vs. the east. The east is very competitive.
23. At a coin show, you cannot assume that the price a dealer quotes you is a fair price. You had better know what the value is before you buy. Example: A customer buys a note at a recent show for \$1200. He assumes this is a fair price, when in reality the note bids for \$475. He over paid \$725.
24. When buying early copper coins, such as Lincoln Cents, Indian Cents, and Large Cents, if you are spending hundreds of dollars, buy the coin slabbed PCGS or NGC. If you buy an early Large Cent for \$1000, you are asking for trouble unless it is certified. Ask yourself, “why isn’t the coin certified?” Probably because it won’t certify.

## **More Helpful Hints**

### **Buying & Selling Coins and Bullion**

**By Tony Swicer**

When you buy gold & silver you need to know the buy/sell spread. One ounce Gold American Eagles are sold at 6% over the New York spot gold price and they are bought at the New York spot, not at futures prices out of the newspaper. That’s a 6% spread. One ounce Canadian Maple Leafs are sold at 5% over spot and bought at 98% of spot (a 7% spread). One ounce Gold Kruggerands are sold at 3% over spot and bought at 96% of spot (a 7% spread). As you can see from above, the best buy is the American Eagle. Fractional gold (1/2 oz, 1/4 oz., 1/10 oz.) coins cost more percentage wise than the one ounce coin does. A 1/2 oz. coin has an 8%-10% premium, a 1/4 oz. has a 15% premium, and a 1/10 oz. has a 20% premium. When you sell the coins, you lose the premiums. You can find current spot prices at [www.kitco.com](http://www.kitco.com).

Foreign gold with odd weights, such as the British Sovereign (.2354), have a 20% spread from buy to sell. That’s why telemarketers love them. All odd weight coins have big spreads.

100 oz. silver bars are sold at 3% to 4% over spot and they are purchased at 97% of spot. Ten ounce silver bars are sold at 5% over and are bought at 3% under. One ounce silver bars sell for 6% over spot and are bought at 3% under spot.

You can usually buy silver coins such as dimes, quarters, and halves at their melt value and sell at 6%-10% under melt. The melt value is determined by taking .715 times spot. Example: If silver is at \$48 oz. times .715 = \$34.3 for every dollar in silver coin. So a \$1000 bag of silver

coins would cost you \$34300. You could sell the bag at .5 off, or \$33800. Quantities smaller than \$1000 face value usually get 20% less.

Jewelry is generally tougher to sell because of holding requirements and time and cost of refining. 10K gold is worth .416 times spot times 70%. 14K is .585 times spot times 70%. 18K is .750 times spot times 70%. Example: 10K .416 times \$900 times .70 = \$262/oz. or \$13.10/pennyweight, 20 dwt. in an ounce. 31.1 grams in an ounce would be \$8.42 gram.

Sterling silver is .925 fine times spot = melt value. However, everyone wants a cut so when you sell, expect to get 70% of melt. Example: Spot at \$48 times .925 times .70 = \$31.08/oz. All silver flatware MUST BE MARKED with the word "STERLING" or ".925", NO EXCEPTIONS!

In the last six months bullion has been the market and coins have sat on the sideline. Old US gold coins in XF/AU condition trade just over their melt value. If you buy old gold coins I recommend MS-63 or better, graded PCGS or NGC certified coins. If you want gold bullion, the American Eagle is a good value. In silver, the 100 oz. bar is good.

## **Buyer Beware**

(Collectors please read this)

By Tony Swicer

Over the years I have heard stories of collectors who have purchased coins from dealers and then for whatever reason, they want to return them. In most cases the dealer will not take back the coins. Is this right or wrong, or beyond that, what is the law? Well, there is no law. If you buy a coin today and bring it back within a few days, most dealers would take it back. Many will say, "You bought it, you own it". Most advertisers and the ANA suggest a two week return policy, providing you have not removed the coin from its original package or have not changed the surface of the coin. Remember that coin dealers are not Wal-Mart or Home Depot where they take back almost anything. Ask the dealer if he has a return policy. If not, you had better know what you are buying.

When you go to a coin show and agree on a coin, agree on the grade, and agree on a price, and purchase the coin, you have entered into a legal contract. What ever happens after that in regards to the coin's grade or price is totally irrelevant. Ten dealers can tell you that you paid too much. You can send the coin to a grading service and it comes back a lower grade or it does not grade for whatever reason. All this is totally irrelevant. You bought it, you own it. The only exception to this is if the coin is counterfeit. Then you can get your money back. Always get a receipt.

There are many dealers out there that sell properly graded coins and there are many dealers that don't sell properly graded coins. The bottom line is that you either learn to grade coins or buy them already certified. As far as the price of the coin, if you do not know what the coin is worth, DON'T BUY IT. You cannot assume that the dealer is selling at a fair price, he may not be. You must know what the grade of the coin is and what it is worth or DON'T BUY IT.

The ANA Grading Guide is helpful in grading coins and joining your local coin club, going to coin shows, and studying lots of coins, all help hone your grading skills. Sending coins to a grading service and studying the resulting grades will help your skills. The best pricing guide is

the Coin Dealer Newsletter (CDN) that all coin dealers use. If your cost of purchasing a coin is near these prices then you are generally buying at a fair price. You can ask for old copies of the CDN from your local dealer or you can subscribe to the newsletter.

In conclusion, buying coins and building a nice collection is fun and can be rewarding but you must know what you are doing. You must know the grade of the coin that you are buying and you must know if it is priced fairly. If you don't know these two things, **DON'T BUY THE COIN**. Most of the time you cannot return a coin. There is no law that says dealers have to take back coins, it is up to the individual dealer.

## **Misconceptions about Coin Collecting**

By Tony Swicer

1. Buying all Mint products is a good idea. **NO**, many items are losing propositions.
2. The longer I keep a coin the more it is worth, "I'll give it to my grandchildren". **NO**, everything is selling at the right time in a cycle.
3. I will never sell at a loss. What if you can never make a profit on the item? It's money tied up. Sell at a loss and make it up in other areas.
4. Buying a lot of cheap coins is better than buying a few nice ones. **No**, everyone knows, the better quality you buy, the quicker it will appreciate. "If you buy junk today, in 15 years, you will still have junk".
5. Buying on TV or in the newspaper is a good idea. QVC and Home Shopping Network are great. **NO**, unless you wish to pay double!! Example: A big mail order discount catalog has a Spanish 8 Real reduced to \$129.95, \$100 over priced.
6. All coin dealers in Coin World and Numismatic News are legitimate. **NO**, buy at your own risk.
7. All coin dealers at a local show will sell you a properly graded coin. **NO**, it's 50/50.
8. Coin Dealers have your best interest at heart when you are buying from them. **NO**, many will separate you from your money in a heartbeat.
9. Most dealers are very knowledgeable. **NO**, you just think they are.
10. If a coin price is too good to be true, should you buy it? **NO**, it's probably not a good deal.
11. Flea markets and pawn shops are good places to buy coins. **NO**, many fakes and cleaned coins are there.
12. Buffing and cleaning coins will enhance there value. **NO**, unless you are blind. Cleaning will decrease there value.
13. Buying fancy packaged coins is a good idea. **NO**, many people are taken by the packaging but look at the coin, not the holder. The fancier the packaging, the more you are over paying. Lush velvet boxes, leather boxes, and certificates of authenticity all add up to paying too much.
14. Buying certified bullion is a good investment. **NO**, certified bullion is an oxymoron. Why certify bullion coins that only go up and down with the price of the metal.

15. All grading companies are equal. NO, the best four are PCGS, NGC, ICG, and ANACS. There are 27 different grading companies. Companies are listed on the front page of the Grey Sheet in order of the amount that their coins sell for as a percentage of Grey Sheet. The best percentage at the top and so on.
16. Storing coins in a garage or attic is ok. NO, hot cold, hot cold causes numerous problems.
17. Using soft vinyl flips for long term storage is ok. NO, soft flips over long term release polyvinylchloride (PVC) which turns your coins green and can ruin them if left untreated.
18. I will price a coin and the customer replies, "But online it sells for....". Online is like Disneyworld or Shangri-la. The final user in the world is online. Do they really get those prices? You and I never will!! What looks real online may not be reality.
19. Coins I purchase in the mail from a big name dealer are better than coins purchased locally. NO, but you can pay 20% to 300% more.
20. Advertisers, who come to town buying, setup at a hotel for three days and then leave, pay more than local dealers. NO, someone has to pay for all their expenses, who do you think that is? You.
21. Buying little foreign gold coins is better than buying a one ounce Gold Eagle. No, you will have a 20% buy/sell spread on small coins verses a 6% spread on the one ounce Gold Eagle.
22. I will sell my coins to a collector; a dealer won't pay as much. NO, a collector generally has limited funds so he will cherrypick your coins and leave you with the least desirable coins. A dealer will buy everything but he must make a profit, generally about 20%. A collector might buy one or two coins at a high price but on everything else he wants a bargain. Many sellers pay too much when they bought the coins, they were either over priced or over graded or both. This is especially true when they purchased on the phone, TV, in the mail, or out of the newspaper.
23. Buying a rare coin portfolio over the telephone is a good idea. No, you will pay 35% to 100% mark up on your purchase.
24. I don't have to report any profit I make on coins to the IRS. No, you are required by law to have a capital gain or loss.
25. My father brought back coins and currency from World War II, shouldn't they be worth money? No, every soldier brought back coins and currency, millions of them. Example: My father took a \$100 million Mark note from a museum in Germany. Today it is worth 25 cents.

## **Coin Dealer Security**

By Tony Swicer

Security at the FUN show January 6-9<sup>th</sup>, 2011, was outstanding. It was away from the show where dealers had problems. This subject has been covered numerous times, but it doesn't hurt to talk about it again. I do not claim to have all the answers but I have been traveling to and from coin shows for 25 years without incident.

**Who is a target?**

A target is possibly a “well known” dealer who carries a large amount of gold, silver, rare coins and/or cash. An older dealer traveling alone could be a target or a dealer at a show that does not have a table but walks the bourse floor showing a fairly large amount of coins or cash.

The thieves obviously walk the bourse floor looking for targets, not to hit there, but after the convention going home. It has been said that some of them use tracking devices planted in the wheel wells. That way they can follow from a distance without being detected.

If you think that you are being followed you could drive around a block or drive thru a shopping center, etc. If you know you are being followed you should go to the nearest Police station, Fire station, or public place where there are lots of people.

## **How not to be a target**

One reason that some dealers are hit is strictly the right opportunity. If the thieves have the right conditions, they will strike. It is your responsibility to not let this happen. When I traveled to Long Beach I would always wear blue jeans and carry an old brief case. Never flash money or lots of coins or even brag about coins or cash on the bourse floor. Never leave coins in your vehicle. When staying overnight at a show your coins should be locked up on the bourse floor, in the security room, or with you personally. When going out to dinner the valuables must be locked up at the coin show.

When walking a coin show and carrying a briefcase never leave touch of it. It should be either in your hand or on the floor between your legs. My ex-boss came to a show in Kansas City and put his briefcase down to register at the hotel front desk and the briefcase was gone in 15 seconds.

I would always advise you to travel with other dealers, both coming to and leaving a coin show. Carry a cell phone and know the emergency phone numbers. Carry a digital camera so that you can take pictures of suspicious people or vehicles. I have a concealed weapons permit. When leaving a show, check your tires and always be aware of your surroundings. Gas up the night before, check under the hood, check tire pressure, etc. Eat before you leave the show. Caravan home with others. **Do not break the Cardinal rule - Never stop until you are home and the coins are locked up.** If you must stop, stop where there are lots of people.

When flying, a bad point at the airport was the x-ray machine, but with tighter security most people are required to have a ticket before they reach that point. Ask for a private screening if you are carrying coins. People can get in front of you while your briefcase is going through the x-ray and steal your case. This happened several times at LAX in Los Angeles. Dealers have had ketchup and mustard thrown on them in front of their hotel to distract them and grab their coins. Even a baby was dropped in front of a dealer to distract him.

In summary, prepare ahead, do not be a target, keep in mind that anyone that you don't know is a suspect, so watch your surroundings and do not break the Cardinal rule - **Never stop until you are home.** The national website for numismatic crime is [www.numismaticcrimes.org](http://www.numismaticcrimes.org).

# Coin Theft at Local Shows

By Tony Swicer

At a recent Sunday monthly coin show I setup at my table as usual. During the course of the show two dealers had \$1000 coins stolen from their tables. In both cases the same person is suspected of stealing the coins. About eight months ago he lifted a 1795 Silver Dollar worth \$8,000 from a coin dealer in his shop in Ft. Lauderdale.

Coin theft is a subject that coin dealers don't talk much about until another dealer gets hit. Known or suspected thieves should be known by all dealers at a show. First, I would like to talk about the different ways that thieves steal and then talk about theft prevention.

The biggest problem at a coin show is that you don't know who the thief is. It could be anyone, an old man, a young man, a lady, a well dressed person, a dealer you have known for years, or even a person in a position of trust. You must be careful. I watched security catch a man who was switching coins for three years before they caught him. He was about forty and wore a three piece suit. He would switch junk coins for 1909-S VDB Cents.

Several dealers at the local shows don't use show cases. They have lost boxes of proof sets during setup time. One lost a binder of silver dollars worth \$5,000. Someone just picked it up and walked away.

Another very personable gentleman wearing a sports coat was stealing coins from a major dealer at big shows for years. Because of the way that the dealer sold coins, out of open boxes on the top of his table and the volume of sales that he did, it was easy for this guy to palm coins and walk away. Another thief would sit down at a table with lots of papers that he would sit on the table and then slide coins under the papers and pick them up and walk away. Another thief, a dealer, drops your coins on the floor, puts a few in his shoe, and walks away. This particular dealer has been stealing coins for 30 years. The problem is that when he has been caught, and he has been, they just tell him, "Get away from my table and don't come back". He then continues to steal from other unsuspecting dealers, show after show. He is suspected of stealing \$30,000 in coins at a show in West Palm Beach last year.

Some thieves try to wear you down by taking a long time to do anything and then while you are not looking, palm the coin and walk away. With many thieves it is opportunity, if you turn your back, the coin is gone. The case at the top of the page is a male about forty, very personable, he even sells coins while he is trying to steal from you. He gains your confidence show after show and then steals the coins, given the opportunity.

A pair of thieves can work your table, one to distract you with stupid questions while the other tries to steal something. A couple of young guys at a mall show would work together. One would palm coins, walk away and pass off the coins to his buddy. The first guy, if he is stopped, will have nothing on him.

## **How can you prevent theft?**

1. Invest in showcases with locks; it will be the best investment you can make.

2. Keep the cases locked. If you leave your table, take the keys with you. If someone wants to see something, they will come back
3. Show coins one at a time or count the number of coins that you hand someone. Ask customers exactly what they are looking for, pull it out of your case and close the case. Never allow people to go through an open showcase.
4. If you have open containers of coins, expect theft. Keep only cheap coins out in the open.
5. When you open your showcase, do not turn your back on anyone.
6. You can politely refuse to show someone your coins.
7. If you let people look through your boxes of coins, make sure they keep the box on your table and all coins in your sight.
8. If a thief has been caught and has been arrested you can ban him from your show. If your organization pays to hold a coin show in a private location you can ask suspected thieves to leave. You can get the sheriff to issue a no trespass warrant. If the person returns, he can then be arrested.
9. Good dealer to dealer communication is essential. Everyone should know who the suspected thieves are and pass the word when they show up at your coin show.

In conclusion, you must be alert at all times. Always keep your showcases locked. Show one or two coins at a time. If you don't use showcases, heaven help you. Is it better to spend \$90 on a showcase or lose a \$1000 coin? If you catch a thief, prosecute and let other dealers know who you caught.

## **Grading Mint State Coins**

By Tony Swicer

Grading a coin is the description of the coins state of preservation. Grading coins is an art, not a science. There are national standards that are used at coin shows based upon experience and market conditions. When the market is hot, grading is somewhat loose. When the market is cold, grading is tighter. Dealers who regularly submit coins to the grading services can tell when there is a subtle change in grading, looser or tighter.

There are several books on grading U.S. coins. *A Guide to Grading U.S. Coins* by Brown and Dunn, *Official ANA Grading Standards for U.S. Coins*, *Photograde* by Bowers and Merena, *NCI Grading Guide* by James Halperin, *PCGS Grading Guide*, the *ANA's Grading Mint State Coins*, and the correspondence course and video by J.P. Martin. All these are available thru the ANA Money Market.

Coin grading was originally described using adjectives such as "a trifle bit of wear" or "a hint of circulation". In 1949 William Sheldon devised a numeric grading system for Large Cents. The grades 1 through 55 were a circulated coin and 60 thru 70 were uncirculated, with 70 being a perfect coin. This system was adapted for use in grading all coins in the late 1970's. As price differences between two grades widened, new grades were developed. AU-58 is such a case. If AU-55 was worth \$100 and MS-60 was \$500, what was a coin worth that was better than AU-55 but not quite an MS-60? The coin was worth \$300 and the new grade AU-58 was adopted. Standard grades were MS-60, MS-63, and MS-65. We now have MS-61, MS-62, MS-64, and MS-66 and up.

Next let's talk about lighting. Consistency in lighting is important when grading coins. A 60 to 100 watt light bulb is the best. Fluorescent lighting is bad as it makes the coin look better than it really is. Different lighting gives a coin a different look. Many large convention centers use fluorescent lighting so be aware of this and only look at a coin under a table light.

Most professional's use a 5x to 7x magnifying glass with as wide a lens as possible to get a good over all view of the coin.

Grading mint state coins involves four areas, luster, bag marks, strike, and eye appeal. **Luster** is most important when determining the grade of a coin. Luster is fine lines on the coin from the minting process that reflect light. By rotating the coin as you look at it you get a better feel for the coins luster and if there are marks, hairlines, or wear on the coin. There are three types of luster, proof-like luster, frosty luster, and satiny luster.

Proof-like refers to a mirror-like image in the fields of the coin from highly polished dies. As the dies wear down they produce a frosty luster. Dies that have not yet struck a lot of coins or die preparation produce a satiny luster. A proof-like coin with reflective fields that can be seen at 2" to 4" is called proof-like. A coin with a mirror that is seen at greater than 4" from the coin is called deep mirror proof-like. The frosty luster coin has luster in an hourglass shape. As you rotate the coin the luster rolls in a cartwheel effect. Satiny luster has an even look like a Peace Dollar. The luster does not roll like it does on the Morgan dollar.

Factors affecting luster are rusted dies, die erosion or wear, a defective planchet, polished dies, or a strike through foreign material such as metal or grease. Post strike factors affecting luster are PVC flips, coin storage in the wrong climate, and cleaning or dipping which disrupts the luster and damages flow lines that reflect the light.

**Bag marks** or contact marks are judged by location, severity, and quantity to determine the grade of a coin. All coins have their "prime focal area", that is the main area your eyes are drawn to on a coin. You do not want marks in this area. On a Morgan Dollar the prime focal area is the face and just in front of it. It is much better for a mark to be in the hair than on the face or in the open fields. Severity or how deep a mark is lowers the grade. Quantity of marks hurts a grade. The more marks you have, generally the lower the grade. Always check the rim for dings or cuts.

The **strike** or amount of detail also helps determine the grade of a coin. Many "O" mint silver dollars were weakly struck over the ear and on the breast feathers and can grade no higher than MS-64. Many "S" mint Walking Liberty Halves were poorly struck, specifically 1940-1946. Full bell line, split bands, and full-head all are referring to the strike of the coin.

The last factor determining the grade of a coin is **eye appeal**. How pleasing is the coin to everyone? Does it have exceptional luster, is it beautifully toned with wild rainbow colors? Is it dull, is it cleaned, or has it been artificially toned? Most rainbow colored coins are Morgan Dollars from original bags of 1000 coins. The bags had sulfur in them that toned the coins touching the burlap over a period of time, sometimes 50 or 60 years. Many beautifully toned coins came from original Mint sets from 1947 to 1958. Learning the difference between real toning and artificial toning takes a lot of practice looking at many coins. Real toning usually flows gently from one color to the next. Artificial toning tends to be blotchy with abrupt changes in color. If a copper coin is dipped, it looks skin-color or pinkish. The grading services will not

grade artificially toned coins although some slip thru the cracks. Copper coins are designated “Red”, “Red & Brown” and “Brown”. Red is the most desirable and worth the most money.

Artificial enhancements include artificial toning (as above), whizzing, chemically treating a coin, and artificial frosting. Whizzing is using a wire brush on a motor to move metal on the coin. A whizzed coin has an unusual satiny glow that is not natural looking. Whizzed coins can grade no higher than AU-50. Chemically treating or “thumbing” a coin hides bag marks. You can see the bag mark but no light reflects off of it like it should. Artificially frosting a coin is to try to achieve a “cameo” affect. On a Morgan Dollar the frost is not only on the portrait but it should also be on the date and the stars to be a genuine cameo coin. Sometimes the fake frosting falls down onto the fields of the coin which is not natural except for “CC” dollars.

AU vs. BU coins is probably the most difficult thing to learn. This is where a good magnifier comes into play. Every type of coin has its specific high spots where it gets its first wear. Looking at the high spots of the coin with a magnifier, you can determine if the coin has hairline scratches. The *NCI Grading Guide* shows the first points of wear on all US coins. Also by rotating the coin in the light, the wear spots will show up as grey or dull areas.

Portrait coins vs. non-portrait coins. A portrait coin is just what it says; the head on a Morgan Dollar is a portrait. The most important area on this coin is the face and the field in front of the face. Other portrait coins are the Lincoln Cent, Buffalo Nickel, Mercury Dime, etc. 70% of a coins grade is determined from the obverse. A non-portrait coin would be a Walking Liberty Half Dollar. The prime focal area on this coin is the center of the obverse and the right field. Other non-portrait coins are the Seated Dimes, Quarters and Halves, Standing Liberty Quarter, and \$20 St. Gaudens.

Gold coins are graded more leniently.

In conclusion, we have given you all the theory. Now you need practice, practice, practice. Go to coin shows and look at as many coins as possible. Take advantage of auction lot viewing when possible. Be cautious when purchasing. Everyone makes mistakes. Get second opinions from other dealers on the grade.

## Reference

1. ANA Grading Mint State Coins, correspondence course.

# Collecting US Paper Money

By Tony Swicer

## Brief History

The four eras of US paper money are Colonial from 1690 to 1799, State Bank Notes or Obsoletes from 1782 to 1877, National Bank Notes from 1861 to 1935, and Federal Reserve Notes from 1913 to Present.

The Colonial period saw 14 States issue notes from 1690 to 1799 and the Continental Congress issue notes from 1775 to 1779.

Private Banks issued notes under State approval. Most of these notes had nothing to back them and when they went under, people holding their notes were out of luck. These notes traded regionally. The farther away you were from the bank, the less the note was worth. Notes traded at a discount.

The Federal government began issuing paper currency in 1861. By 1863 the National Bank Note System was started. All notes were guaranteed by the government.

The Federal Reserve System began in 1913 and continues to today. Small size notes were issued from 1928 on.

## Types of Notes

- Colonials Notes, 1690-1799
- Obsolete Notes, 1782-1877
- Interest Bearing Notes, 1861-1865
- Demand Notes, 1861
- Legal Tender (US Notes), 1862-1966
- Compound Interest Treasury Notes, 1863-64
- National Bank Notes, 1863-1935
- Silver Certificates, 1878-1968
- Treasury Notes, 1890-1953
- Federal Reserve Notes, 1913-Present
- Postal Currency, 1862-63
- Fractional Currency, 1863-1876
- Military Payment certificates, 1946-1973
- Error Notes

## Simplified Grading

- **Good** - Badly worn, tears, pieces missing, stained
- **Very Good** - Heavy circulation, many folds, small tear near edge, can be soiled and dark
- **Fine** - Circulated with many folds, no tears
- **Very Fine** - Some crispness, brightness, 3 or 4 folds
- **Extremely Fine** - 2 or 3 folds, very crisp and bright
- **About Uncirculated** - One minor fold or crease. Looks new at a glance
- **Uncirculated** - No wear. Pin holes and off center okay
- **Choice Uncirculated** - Fresher and brighter, better centering
- **Gem Uncirculated** - Virtually flawless and well centered. No trace of handling

Beware of repaired or bleached notes.

## Ways to Collect

- Large size notes - 183 types • Small size notes - 123 types
- By certain type of note such as:

- Silver Certificates - 65 types
- US Notes - 85 types
- Federal Reserve notes
- Obsoletes
- Fractionals - 45 types
- MPC - 94 types
- By denomination, \$1's, \$2's, \$100's
- One of every type
- By serial numbers, low numbers
- Star notes
- Errors
- Uncut sheets
- Proofs and vignettes that appear on notes
- Confederate notes - 72 types

## **What Grade to Collect**

Generally, the minimum grade that most people collect is Very Fine. Most notes can be collected in VF or better. However there are exceptions. Many National Bank Notes are only known in Good to Fine. I collect Nationals in Fine or better.

Be aware that many notes have been “laundered” to remove dirt and grease. Some have been “starched” to add crispness and brightness. Some notes have been “trimmed” to give the appearance of sharp edges. Any repairs should be noted by the seller.

## **Money Involved**

Before you jump into bank notes, you should know how much money you are going to spend to complete a collection. Here is an idea, in VF or better:

- Small size, \$10 - \$100 per note
- Large size, \$60 - \$400
- Nationals ○ Large size, \$150 - \$600 ○ Small size, \$60 - \$400
- Errors, \$20 - \$250
- Obsoletes, \$25 - \$75
- Fractionals, \$20 - \$65
- MPC's, \$10 - \$50
- Uncut sheets, \$100 and up
- Proofs and Vignettes, \$100 and up
- Confederate, \$45 - \$400

## **Building a Nice Collection**

Ancient Chinese proverb, “Collection of a 1000 bank notes begin with first purchase”. Take your time, be patient.

My plan is to collect for at least 15 years. Get rich quick plan is not welcome here. Buy a note at a time. Even if you only purchase one note a month, that's okay. Stick to the grade you want and don't buy inferior notes. Invariably, I will buy a low grade note and two months down the road I find a better one.

I buy at local coin shows, major coin shows, and at auction. At a local show you can get some bargains but they are few and far between. Major shows are okay but some of the prices that you are quoted are double and triple the real value. One dealer told me when I opened my Kelly book, "You use that, I guess we can't do any business". In other words, he wanted way over book price. My best place to buy has been at auction. I have been able to purchase as many as 15 Nationals in one auction and all below book price. I have been able to build a 200+ note collection over the last six years, many one note at a time. My plan is to have over 400 notes by 2018. I know I can't get every Kentucky note but I will have one of the largest collections ever assembled.

I bid online with Heritage, Lyn Knight, Bowers & Merena, Goldberg's, Stacks, Spinksmythe, etc. At auction, I can usually buy what I want below the book price. But on a rare note don't be afraid to step out and bid. I purchased the only know note on a bank from my hometown. Either I buy the note or I will never get another chance to own it in my lifetime.

In several auctions you can be high bidder and if the next bid below you is at a much lower level, the auction company will sell you the note at the lower bid. Because the notes that I collect are a specific region, Kentucky, these notes are cheaper out west rather than near Kentucky. I bought 15 Kentucky notes in a Goldberg Auction. Who in Beverly Hills wants KY notes?

At the auction, I like to sit in the back and watch the other bidders. I do my homework on the auction catalog before I go into the auction. First, do I need the note? If so, I mark the catalog CDN bid. I bid up to the value of the note, keeping in mind the auction house commission. I don't mind paying full value. I'm buying for the long term, not to sell tomorrow. The notes that I purchased in 2003 are worth double what I paid.

## **Reference Books**

- Friedberg - *Paper Money of the United States* (Large size, small size, encased postage, colonial, and confederate)
- Schwartz & Lindquist - *Small Size US Currency* ( notes listed by Federal Reserve, Star notes)
- Don C. Kelly - *National Bank Notes*
- Hugh Shull - *CSA, Obsoletes, & Continental Notes*
- George S. Cuhaj - *Confederate States Paper Money*

# National Bank Notes

## 1863-1935

By Tony Swicer

There are four eras of U.S. banknotes: Colonial from 1690 to 1798, State banknotes from 1782 to 1861, National banknotes from 1863 to 1935, and Federal Reserve notes from 1913 to Present.

In 1863, with the Civil War in its third year, the Federal government needed to generate more money to pay for the war. The National Currency Act was signed on February 25, 1863. The Act would provide a National Currency, secure a pledge of United States Stocks, and provide for the circulation and redemption thereof.

To become a National bank a local bank would apply to the U.S. Comptroller of Currency. The bank must raise a minimum of \$25,000 to purchase U.S. Treasury bonds that would be held in the US Treasury until redeemed. The bank would then receive \$25,000 in notes with its charter number (beginning with 1875 series), name, and state on the note. The bank could circulate up to 90% of the par value of the bonds it had purchased. Small banks might only receive \$5 bills or \$5's and \$10's. Medium banks might use \$5's, \$10's and \$20's. Larger banks in big cities used all denominations allowed by the government. The 1902 and earlier series notes would arrive at the bank in uncut sheets of four notes, either four \$5 bills or three \$10 and one \$20 note. All the sheets were then cut by hand. The 1929 series notes were in sheets of six. The President or Vice President of the bank and the Cashier would sign every note. The Act of 1892 allowed notes to be redeemed without signatures or with forged signatures. Some notes were sent to the local printer where he would print the signatures of the bank officials on the note and cut the sheets for the bank. In the mid 1920's the minimum amount required to be a chartered bank was reduced to \$15,000. Charters were for twenty years and were renewable.

There are Eleven Types of National Bank Notes:

1. The Original Series

Printed from 1863 to 1875 in denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, and \$1000

2. Series 1875

Printed from 1875 to 1882 in denominations same as above

3. National Gold Bank Notes

Printed from 1870 to 1880 in denominations \$5 thru \$1000

4. Series 1882 Brown Back Notes

Printed from 1882 to 1908 in denominations \$5 thru \$100

5. Series 1882 Date Backs Notes

Printed from 1908 to 1915 in denominations \$5 thru \$100

6. Series 1882 Value Back Notes

Printed from 1915 to 1922 in denominations same as above

7. Series 1902 Red Seal Notes  
Printed from 1902 to 1908 in denominations same as above
8. Series 1902 Blue Seal Notes dated 1902 to 1908  
Printed from 1908 to 1915 in denominations same as above Issued  
\$50's and \$100's until 1926
9. Series 1902 Blue Seal, Plain Back  
Printed from 1915 to 1929 in denominations \$5 thru \$100
10. Small Size National, Series 1929 Type 1  
Printed from 1929 to 1933 in denominations \$5 thru \$100  
The Charter number is black printed twice
11. Series 1929 Type 2  
Printed from 1933 to 1935 in denominations same as above  
The Charter number is brown printed four times

From 1863 to 1875, all Nationals were printed in New York City by the American, Continental, or National Bank Note companies. By 1877, all notes were printed at the Bureau of Engraving and Printing in Washington D C. Large sheets were printed in combinations as follows: 1-1-1-2, 5-5-5-5, 10-10-10-10, 10-10-10-20, 20-20-20-20, 50-50-50-100, 50-100, 100. Other combinations exist but these were the most common.

A total of 12,635 banks became National banks. The first series banks were chartered for a corporate life of 20 years. In 1875, the charter number was first printed on the notes. Series 1882 notes lasted until 1902 and were brown. Series 1902 notes were printed until 1929 and they were green. Large size notes had the Treasury serial number in the upper right and the Bank serial number in the lower left. Small size notes were first printed in 1929. They were off-white with black and brown lettering. Notes were printed with a standard back and obverse face designs. The bank name, state and charter number were printed later. That way the B.E.P. could stockpile one-size fits all sheets. About 600,000 notes have survived. That's an average of 47 notes per bank. About 2000 uncut sheets have survived - 1500 of the 1929's and 500 of the 1875 to 1902.

The National Bank Note book (sixth edition) was printed in 2008. It cost \$100. The author is Don C. Kelly of Oxford, Ohio. There were 307 contributors. The book lists every chartered bank (12,635). Major contributors were Jim Hickman whose original census of 150,000 nationals is half of the book. Peter Huntoon wrote over 200 articles on national bank notes. Louis W. Van Belkum made it possible to systematically study Nationals through his work at the National Archives. Melvin Owen Warns listed all small size Nationals by denomination and identified each bank. The book lists every denomination and how many of each note was printed. The CD in the back of the book has a census of 320,000 notes by bank and condition. The book lists how many notes are known today and their values in Fine condition. A \$30 note in Fine condition might be worth \$300 in UNC condition. Every grade higher or lower than Fine, the note changes value 25%. An example would be a note with a book value of \$100 in Fine is worth \$150 in XF. The note in VG is worth \$75.

Most people collect these notes by their hometown or by state. Collecting can be by regional area, by type or series of note, by condition, by the name of the bank, by denomination, by serial

number, by Treasury signature, etc. The beginning of the modern era of collecting nationals was 1965 to 1975.

I have been collecting Kentucky Nationals since 2003. I collect by city, denomination, date, and type of note. I have about 205 notes, with many more to go. I try to buy Fine or better. Sometimes they just don't exist. I buy at coin shows and at auction. When you are at a coin show, sometimes the farther away you are from the state, the cheaper you can buy the note. A good example was a Goldberg auction in Beverly Hills, CA. I purchased 15 certified Kentucky notes in the auction. Who in Beverly Hills wants Kentucky notes? I deal online with Heritage, Lyn Knight, Stacks, Spinksmythe, etc. I found in most cases if you do your homework on an auction, that is, know the book value of the note, condition, and survival rate, you can bid accurately.

Usually the auction company will put a book value on every note. It is usually a price range. I usually ignore this price and use the Kelly book and quantity known of the note. If there are one or two known of a note, you will pay over book price. If there are 20 to 30 known then you might get it under book in Fine condition. Sometimes you can purchase VF notes under book price. Beware of large size notes with narrow side to side margins as they may have been trimmed. The side margins were always wide on large size notes. All 1929 series notes can have wide and well centered margins. Many were cut by hand so the margins can be narrow on the top and wide on the bottom, or visa versa. The auction company does not always tell you if a note has been trimmed. Usually if a note was cut into the design it is worth less.

Hoards of Nationals can appear on the market from time to time. If there are one to two notes known and five notes pop up, that is considered a hoard and the value of that note will probably drop. I purchased seven notes from a bank that had only one and two known listed in the Kelly book. Bankers and their families usually kept serial #1 notes as a souvenir. They also just kept notes because their relative was a signer of that bank. Early on, currency dealers offered to pay a 10% premium for serial #1 notes.

At an auction, I like to sit in the back so that I can see what the other bidders are doing. See if they are developing a pattern of bidding, then I can bid accordingly. The people who bid most frequently are probably dealers and you may or may not be able to compete with them. I generally have a limit that I will bid on every note and I don't go over the limit. If I purchase a couple of notes in a month, I'm happy. If I am bidding online, I usually bid the last night before the auction. Online live, you obviously bid during the auction.

If you are going to collect National Bank Notes you must have the Kelly Book.

