

Coin Rarities & Related Topics: The Ten Leading Topics of 2010

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News and Analysis on scarce coins, coin markets, and the coin collecting community #33

A Weekly Column by Greg Reynolds

This is my last column of the year 2010. It seems appropriate to list the ten leading topics of the year, starting with number ten.

Please note that I am referring to news relating to rare U.S. coins, not to coins actually minted in 2010 or to coins minted in recent years. In addition to often discussing rarities, I have written, and will write more, about classic coins that are not rare. Please see my two part series on why 1933/34 is the clear dividing line between classic and modern U.S. coins ([part 1](#) - [part 2](#)), and [my column on advice for beginning and intermediate collectors](#). I have recently written about [modern coins](#) as well. (As always, clickable links are in blue.)

X. The Fate of 1933 \$20 gold coins

For decades, the U.S. Treasury Department has maintained that it is not legal for individuals to possess 1933 Double Eagles. Indeed, the Federal Government has allocated considerable funds to chase and seize 1933 Double Eagles (\$20 gold coins).

In 2002, Stephen Fenton, who owned a 1933 Double Eagle, and the U.S. Treasury reached a settlement that stipulated that the Fenton 1933 Double Eagle be sold at auction and the proceeds, after the auction house's commission, be split between Fenton and the U.S. Treasury Department, which granted title to the successful bidder.

Sotheby's, in partnership with [Stack's](#), auctioned the Fenton 1933 Double Eagle for \$7.59 million on July 30, 2002. This result remains the auction record for a coin.

The Switt-Langbord family acknowledges inheriting ten 1933 Double Eagles. The U.S. Treasury Department and the Langbord family are currently involved in litigation over the title to these ten 1933 Double Eagles.

Although the Langbord case could have been more of a non-story than a story in 2010, as not much happened in Federal Court, it was discussed at length by innumerable collectors and received much attention in the media. Importantly, researcher Roger Burdette announced in 2010 that he unearthed government documents that demonstrate that the "first 1933 Double Eagles were struck March 2nd, during the Hoover administration." Before Burdette's recent find, the "assumed date



was March 15 or shortly before, since that was the initial delivery date.” Moreover, Burdette discovered that the Mint Cashier was provided with forty-three 1933 Double Eagles on March 4 and these “balanced” the accounting of the production of 1932 Double Eagles as some 1932 Double Eagles were earlier found to be defective.

So, in my (this writer’s) view, some or all of these 1933 Double Eagles that were counted, for bookkeeping purposes, as 1932 Double Eagles could certainly have been traded to collectors and dealers. Documents discovered by Burdette support the argument that collectors may have legally traded earlier dated Double Eagles for 1933 Double Eagles before President Roosevelt ordered the Treasury Department to stop ‘paying out’ gold coins.

From the 1790s to the 1930s, there were many coins and other numismatic items that were released to collectors or dealers at the discretion of U.S. Mint personnel. For decades, as long as ‘the books balanced’ in that no gold or silver was missing, it was considered acceptable for collectors to obtain scarce or rare U.S. coins directly from U.S. Mint officials, provided that such collectors paid for the coins, often by trading relatively common coins for scarcer or rare coins. There are many privately owned U.S. coins and patterns for which no records survive, or for which records are incomplete, and these are generally regarded as being legitimately owned by collectors or dealers.

IX. 1794 Silver Dollars



In May, Steve Contursi privately sold his PCGS certified ‘Specimen-66’ 1794 silver dollar to the Cardinal Educational Foundation for a price reported to be “\$7.85 million.” In August, the Boyd 1794 dollar was auctioned for \$1,207,500. The Boyd 1794 is discussed in [my column of June 23rd](#), and my analysis of the auction result is in [my column of Aug. 11](#). The Boyd 1794 was NGC graded MS-64 and is now PCGS graded MS-63+. It is the fifth finest known 1794 dollar, behind the Carter-Contursi, Rogers-Stellar, Jimmy Hayes, and Norweb pieces.

The magnitude of the demand for 1794 silver dollars astonishes me. Yes, these are the first silver dollars minted by the United States. Even so, there are more than one hundred and thirty 1794 dollars in existence, including at least six that are truly uncirculated. Furthermore, there survive many naturally toned Very Fine or Extremely Fine grade 1794 dollars. Moreover, unlike 1796 quarters, 1796 ‘No Stars’ Quarter Eagles, and 1808 Quarter Eagles, 1794 dollars are NOT a one-year type coins. The Flowing Hair design was also employed for the production of

silver dollars in 1795, and thousands of 1795 Flowing Hair dollars survive. In any event, it is clear that collectors fervently demand 1794 dollars and regard these as being of tremendous importance.

VIII. The sale of a 1943-D cent for \$1.7 million

Curiously, the collector known as Simpson paid \$1.7 million for the only known 1943-D cent that was struck in copper, rather than on a zinc coated steel planchet (prepared blank.) Certainly, this is a private sale record for a Lincoln Cent of any kind and for a Mint Error of any kind. About this transaction, please see [my column of Sept 29](#). Regarding off-metal strikings of World War II era cents, please click to read my two part series on ones that sold in 2008 ([part 1](#) – [part 2](#)).

VII. The Sale of Dr. Duckor’s Barber Halves

Among coin people who reveal their names and their viewpoints, Dr. Steven Duckor is the leading living collector. He is certainly one of the most sophisticated collectors of all time.

Collectors and other experts were overwhelmed when Dr. Duckor’s collection of Barber Halves was



sold in the official ANA auction in Boston. Many auction records were set. More importantly, Duckor's Barber Half collection served a great educational purpose for those who cannot afford to buy them, as the showing and auctioning of these halves enabled collectors to learn about the meanings of quality, natural toning, and special striking characteristics in regard to Barber coins. Though I strongly attempt to convey, in writing, aspects of coins that sophisticated collectors' value, there is just no substitute for actually examining coins that are special. (Please read my articles on Duckor's Halves, [Part 1](#) – [Part 2](#), and [my column of Aug. 4th](#).) Also, many of Dr. Duckor's halves were previously in other great collections, like those of the Norweb family and Emery-Nichols. Learning about choice and important coins that were in epic collections contributes to an understanding of the factors that determine greatness in U.S. coins and whole collections.



VI. The Rage for Type One Double Eagles

The year 2010 has been characterized by manic demand for, and increases in supply of, Type One Double Eagles (\$20 gold coins), which were minted from 1850 to 1866. Though many collectors and speculators sold such coins during the year 2010, often to take advantage of relatively strong market levels for coins of this type, the demand not just 'held up,' the demand grew. My columns of [May 19](#), of [June 30](#), [Aug. 11](#), and [Sept. 22](#), cover specific, rare Type One Double Eagles that traded this year. Of course, there are thousands of other Type One Double Eagles that I did not write about, though I did discuss [1857-S Double Eagles](#) from the shipwreck of the S. S. Central America. (Remember that links in blue are clickable.)

V. The Increasing Impact of the CAC



The [CAC](#) was founded by **John Albanese** in Oct. 2007. In [my column of June 16](#), I reported that the CAC surpassed the \$150 million level in coin transactions. Undoubtedly, the CAC has accrued total revenues of more than \$175 million by now. Not only does the CAC approve (or reject) submitted coins that have already been graded by the PCGS or the NGC, the CAC competitively buys CAC approved coins, usually for premium

prices. Frequently, a coin with a CAC sticker will sell for substantially more than a coin of the same date, type and certified grade, but not CAC approved. The CAC has dramatically changed coin markets and has served an educational function, as a significant number of the coins that the CAC rejects have been doctored or have other serious problems. In 2007 and 2008, the CAC was just beginning to accelerate and was being tested in the marketplace. In the year 2010, the CAC became much more widely accepted and really began to mature.

IV. The Combination of Stack's and B&M

The news pertaining to [B&M](#) and [Stack's](#) is very recent that it is much too early to judge its impact. According to a press release issued by Spectrum on Dec. 22nd, the parent of B&M, Spectrum, will own "51%" of the combined Stack's-Bowers entity and Stack's will own the other "49%." Though the Anderson family, or entities they own, have a majority interest in Stack's, Chris Karstedt and QDB are shareholders in Stack's as well. If the new entity is 49% owned by Stack's, not 49% owned by the Andersons, then will Karstedt and QDB remain shareholders? It has already been announced that veteran dealer **Chris Napolitano** will be the president of the combined entity.

There are now just three auction firms that are widely recognized as specialists in rare U.S. coins, **Heritage**, **Stack's-Bowers**, and the **Goldbergs**. All three firms also auction world coins, as do many other firms in the U.S. and elsewhere.



Some art auction firms sell coins, too. Art auction firms do not, however, have the same stature or command the same level of respect among coin collectors as the auction houses

that specialize in coins.

In 2005, there were seven auction houses that specialized in scarce or rare U.S. coins: Heritage, B&M-Spectrum, ANR, Stack's, the Goldbergs, Superior and DLRC. Before the end of that year, **John Feigenbaum**, the president of DLRC, had decided to stop conducting live auctions and focus instead on Internet-only sales. Less than two years after [DGSE](#) acquired Superior in 2007, DGSE shut down Superior's auction division.

The Andersons bought a controlling interest in ANR, probably from **Chris Karstedt**, and then later acquired a controlling interest in Stack's. By late 2006, ANR and Stack's were awkwardly combining into one, and the ANR name was dropped. By May 2009, Harvey and Larry Stack had departed. Chris Karstedt and QDB seemed to be running Stack's from New Hampshire, subject to oversight from the Andersons, who operate media companies in the South.

Presently, with just three U.S. coin-centered auction firms, there is much less competition in this field than there has been during the last four decades or so. Some accomplished economists contend that just two or three firms in an industry are sufficient for the benefits of competition to be actualized. I am, though, a little concerned by this lessening of competition.

III. The auctioning of a nickel for \$3,737,500



Yes, it is true that the Eliasberg 1913 Liberty Nickel sold privately for \$5 million in 2007. So, why is it so spectacular that the [Olsen-Hawn 1913 Liberty Nickel](#) sold for \$3,737,500?

There is a tremendous difference between a private sale and an auction result. Before Jan. 7, 2010, a 1913 Liberty Nickel had not sold at auction since this Eliasberg 1913 realized \$1,840,000 in March 2001. The Olsen-Hawn 1913 had last been auctioned for \$962,500 in 1993.

The \$3,737,500 result is tied for the third highest price that a coin has ever realized at auction. The \$7.59 million price for the Fenton 1933 Double Eagle is mentioned above. On Aug. 30, 1999, B&M, then managed by QDB and Karstedt, sold

the Childs 1804 dollar for \$4.14 million. In April 2008, Heritage auctioned the Mickley-Hawn-Queller 1804 dollar for this same price, \$3,737,500. Also, Sotheby's auctioned a medal on Dec. 11, 2007 for \$5,305,000; consider clicking to read [my preview](#) and [auction report](#) articles about this medal. No matter how auction data is analyzed, the \$3,737,500 result for the Olsen-Hawn 1913 Liberty Nickel is extraordinarily significant.

II. The PCGS Lawsuit Against Alleged Coin Doctors

I have devoted two columns to the [PCGS](#) lawsuit against alleged coin doctors, those of [June 2nd](#) and [Sept. 8th](#). I will write more about it. It would not make sense, however, to summarize this suit here.

The most pressing issue facing the coin collecting community is the need to contain the coin doctoring problem. Every day, important rarities are harmed by coin doctors who seek to deceive the grading services and collectors into believing that doctored coins are of higher quality than these were before they were doctored. In reality, doctoring a coin reduces its quality, often to a terrible extent.



I. The PCGS SecurePlus Program

While lawsuits and exposure in general deter coin doctoring activities, the new technologies that the PCGS introduced (and continue to develop) as the central components of the SecurePlus program have tremendous potential to identify doctored coins

and to curtail grade-inflation. If properly and fully implemented, the PCGS SecurePlus program may be miraculous. So far, it has been disappointing. Nonetheless, the technologies involved are wonderful and are just beginning to be appreciated. Please read my recent two part series on the PCGS SecurePlus program, [part 1](#)– [part 2](#).

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