

Coin Chronicles

The Newsletter of the Trenton Numismatic Club

August 2016

Volume 34 Issue 8

THE EVOLUTION OF MEDAL COLLECTING

PART 1: EBAY

by John Sallay

Until about twenty years ago, the process of collecting medals – searching, browsing, buying, and eventually



Figure 1: University of Virginia Washington Society gold medal

In This Issue: Extra Extra Extra

In this and the next two issues we will bring you an expanded newsletter with John Sallay's article in three parts.

Enjoy!

Joe Pargola

selling – happened at shows, auctions, dealer shops, and sometimes through the mail with a small circle of dealers and fellow collectors you already knew. Once in a while, an interesting medal would show up unexpectedly in the antiques trade or at, say, a book dealer or ephemera fair. If you were more proactive and advertised in a few collector periodicals you might occasionally get a phone call from someone looking to sell a family heirloom. Usually, though, these calls came through referrals from your collector and dealer friends.

To some extent, that's still the collecting process and it's still the primary process for the most valuable, older medals (pre-19th century) that have been in pre-eminent numismatic collections for decades or hundreds of years. Most of the rest of the medals market, however, including most auctions, much large dealer activity, and quite a bit of the "thrill of the hunt" has moved online. Indeed, it has become difficult to collect many types of medals seriously and competitively without at least some online collecting skills. This article reflects on the emergence, growth, and cur-

rent status of eBay as a medal collecting resource, while an article in the next issue will describe other online collecting venues and the continuing evolution of the market. It does not discuss how to buy on eBay, which is well described on the eBay website at <http://pages.ebay.com/help/buy/basics.html>. (And it doesn't reveal my top secret search or bidding tricks...do you think I'm nuts?!)

As many of you know, I have focused on collecting school award medals for over 35 years and now have a collection of about 4,500 pieces from all over the world. For the first half of my collecting escapades, I focused on American medals, purchased primarily from American dealers, auctions, and fellow collectors. I began buying medals on eBay in late 1998, just as the site was gaining broad awareness. By the end of 2014, I had purchased over 2,200 school award medals on eBay, or about half of the medals in my collection. Lately, I've had a growing sense that eBay is becoming less productive, so I analyzed my eBay and other medal purchases since the late 1970's. While my review is

(continued on Page 3)

COIN SHOW SCHEDULE

By Bill Liatys

September 2016

PARSIPPANY September 4th at Sunday 9 AM – 4 PM
Pal Bldg 33 Baldwin Road Parsnippany NJ

BURLINGTON September 1th Sunday 10 AM – 4 PM
Burlington Mason Lodge Route 541 Burlington, NJ

TREVOSE September 18th Sunday 10 AM – 4 PM
Trevose Fire House 4900 Street Road Trevose, PA

TRI-STATE COIN & STAMP SHOW September 25th Sunday 10 AM – 4 PM
Williamson's Restaurant 500 Blair Mill Road Horsham, PA

RED ROSE FALL COIN SHOW September 10 Saturday 9 AM – 3:30 PM
Farm & Home Center 1383 Arcadia Road Lancaster, PA

OCEAN COUNTY COIN CLUB October 15 Saturday 9:30 AM – 3 PM
Ocean Fire House 400 Arnold Avenue Pt. Pleasant Beach, NJ

LEHIGH VALLEY HERITAGE MUSEUM COIN EXPO
October 29, Saturday 10:00 AM – 5:00 PM
Lehigh County Historical Society 432 West Walnut Street Allentown, Pa

TRENTON NUMISMATIC FALL COIN SHOW
October 30 Sunday 9:00 AM – 3:00 PM
Ramada Inn Exit 7 NJ Turnpike 1083 Route 206 North Bordentown, NJ

WHITMAN COIN & COLLECTIBLES November 3 – November 6 Thursday – Sunday
Thursday – Noon – 6 PM Friday – Saturday - 10 AM – 6 PM Sunday – 10 AM – 3 PM
Baltimore Convention Center One W. Pratt Street Baltimore, MD

personal and focused on my own narrow subject, the large number of purchases and my very consistent searching over many years is probably representative and, in any case, contained a few surprises.

Still a Productive Collecting Venue

Although the mix of eBay offerings has shifted from all auctions in the early days to something like 80% "Buy It Now" fixed price offerings today, eBay is still a productive collecting venue. My 2014 eBay purchases, for example, represented approximately two-thirds of the pieces I added to my collection that year (just over one-third by value), roughly in line with my prior 15-year averages. Of the 100 best medals in my collection (all valued over \$1,000), 25 were purchased on eBay and 19 of these were rare gold medals. Most of the rest of these 25 were early hand-engraved British medals not easily found elsewhere. I do believe that total eBay listings have increased, with more dross, and so regular searches now seem to take longer, but this is difficult to quantify.

One might think that eBay is cannibalizing the business of the traditional numismatic intermediaries, but that has not been the case, at least not from my collecting perspective. My non-eBay item purchases since the advent of eBay are down about 20% in number, but up by over 100% in value, despite market prices for medals that have not generally achieved that degree of growth.

My total medal purchases were up over 150% versus the prior 10-year period, indicating that my eBay purchases were net extra. Indeed, several well-known dealers are active eBay buyers, seeking wholesale-priced items for their retail trade or consignment to traditional auctions.

It's always tempting to talk about the "good old days" and indeed, for eBay there was a period roughly 2003-2007 when some really unusual and special pieces came to the market. For example, in 2007 I acquired a gold University of Virginia medal (figure 1) similar to only a few others I've seen – one auctioned by Chuck Kirtley in 1989, one on eBay in 1999, and one sold by Heritage in

2006 at 9 times the price of my eBay item (but not 9 times better). By the early 2000's, eBay had become broadly used and nearly everyone with collecting interests had started experimenting with the site. Dealers listed items in the hope that they could finally move an esoteric medal that had long been sitting in stock, or perhaps out of fear that this was the new way of doing business so they had better figure it out. And many non-collectors began listing items from grandma's estate, to see if any of her old stuff might be valuable, or at least appreciated enough by a collector to generate some spare cash. The eBay market has matured since then, but is still a good source of interesting items.

The market for many collectibles has softened over the last ten or so years, and it has been said that eBay has contributed to this market trend by revealing how common some items are when the entire world market is at your fingertips. I believe this observation is only partly true, and that other factors like the Great Recession and the GenX/Millennials' disinterest

(continued on Page 4)



Trenton Numismatic Club

President : Andrew Waholek
Vice-President: John Janeczek
Treasurer: Randy Ricco
Secretary: Joe Pargola
Sgt at Arms: Gary Elmer
Committees:
Bourse: Bill Liatys
Randy Ricco
Programs: Ray Williams
Newsletter: Joe Pargola
Auction: Bo Bobjak

Trenton Numismatic Club is members of:



in collecting “things” have also contributed. Rather, it seems more accurate to say that the most common medals have decreased in value because of this dynamic, while truly rare, highly desirable pieces have increased in value, in line with trends across the range of art and antiques.

In this larger and more transparent market, it becomes correspondingly obvious just how scarce some items are, and only one or two more equally knowledgeable bidders can drive up prices significantly. With Boston School Medals, for example, the most common U.S. Mint struck pieces (SC-11 and SC-12, also listed as F-9 and C-12 in my April 1978 Numismatist article) are often availa-

ble on eBay and rarely bring much more than they did 20-25 years ago. But the early hand-engraved examples of this same series (F-1, F-2, C-1, C-2, and a few others) almost never show up on eBay or otherwise. When they do, collectors of Early American silver, antique childhood memorabilia, and others now aggressively compete with me for these very rare pieces.

Bargains, But More

Yes, eBay items tend to be lower priced pieces, but partly because they are bargains that are extremely difficult to find in traditional numismatic channels. I keep track of both the prices paid and my estimate of fair market value in my collection inventory, and have found that

(continued on Page 5)

Articles Wanted

If you have a topic you'd like to be covered in the Newsletter... write an article or submit your idea. Don't be shy....do it.

All entries are welcome. Articles will appear in the Newsletter as soon as possible and might be edited for space consideration, not editorial content.

Meeting Schedule

The Trenton Numismatic Club meets on the fourth Monday of each month at the

HAMILTON PUBLIC LIBRARY
ONE JUSTICE SAMUEL A. ALITO JR. WAY
HAMILTON, N.J. 08619-3809

Mailing Address: T.N.C. P.O. BOX 8122
Hamilton, New Jersey 08650

Visit our Website:

www.trentoncoinclub.org

the “bargains” – defined as a purchase price less than 50% of the market value – have been nearly all discovered on eBay. I have found six times as many bargains on eBay as I have in all other channels combined (over 85% of the total), and nearly 20% of my eBay purchases have been bargains by the above definition.

In some cases, the sellers simply don't know what they have and list it improperly. A handful of these pieces are gold medals not listed and not recognized by others as being gold. For example, I've found not one, but two, U.S. Mint struck Boston Latin School Derby Medals (SC-10, figure 2) and purchased one a few years ago for about \$40. More commonly, a very



Figure 2: Boston Latin School gold medal at \$4

interesting medal is simply not described well by the non-numismatist owner or listed in an inappropriate category, so that it doesn't show up in typical collector searches. For example, I recently found a very nice, attractively priced example of John Flanagan's School Art League medal listed in the “Ashtrays” category (figure 3). And just a few weeks ago I found a medal correctly listed in the “Medals” category, but without noting that it is a rare gilt bronze sample of the well known Pulitzer Prize Medal (fig. 4).

Even when an item is correctly listed and described, and attracts the attention of the “usual suspects”, it is still possible to get a relative bargain. This is due to the level playing field structure of eBay, where prices are usually set by multiple bidders starting at initial listing prices which are often very low. The ultimate sale price, then, is just a few dollars more than a legitimate underbidder's top bid. In the traditional retail channels, a dealer may be tempted to price an item aggressively high, knowing that a particular collector will

bite. And unfortunately, the days of auctioneers selling at the maximum left bid, using skills, or even taking chandelier bids, aren't yet over.

Bid sniping software has also played a role in reinforcing this level playing field, and possibly even creating some relative bargains. Similar to a live auction, the eBay system reflects a “current bid” that is only a small increment higher than the next highest bid, up to a bidder's maximum left bid. eBay encourages bidders to enter their maximum bid up front and let the automated proxy bidding system continuously update the high bid. Sniping programs, however, such as EZSniper, AuctionStealer, Bidnapper and many others, enable a



Figure 3: School Art League medal from eBay's “Ashtrays” category

(continued on Page 6)

bidder to enter their highest bid indirectly through a program or online service, so that the bid is only sent into the eBay system at the very last minute. This has the effect of turning the intended live auction into a sealed bid auction, where the winning bid is not revealed to anyone until the bidding closes.



Figure 4:
Pulitzer Prize Medal sample

Considerable university research confirms that bid sniping creates an advantage for the more experienced, most knowledgeable bidders. Sniping enables all bidders to avoid bidding wars, where two bidders' emotional drive to win can sometimes overpower economic rationality. But for experienced bidders, sniping also helps avoid "bid chasing", where the perceived expert's bids en-

courage others – especially novices and others who may be unsure of the value of an item – to follow and jump the bids of the experts, even if they may not know who these other bidders are. On eBay, this dynamic can play out as "maximum bid fishing", where a novice keeps bidding in small increments to uncover and then exceed the maximum high bid, in order to win an auction without risking overpaying due to another novice also leaving an unrealistically high "buy" bid. Sniping also helps limit sellers' shill bidding, which is a particular risk on eBay because bidders are allowed to retract bids. So, for example, a seller's shill can pursue the bid chasing routine, but then retract the bid that finally exceeds the legitimate high bid, ensuring a maximum possible selling price just below the highest bidder's maximum. (The EZSniper page <https://www.ezsniper.com/proof.php> very briefly summarizes some of the key studies by Alvin Roth of Harvard and many others.)

Some eBay bargains are not monetary value bargains, but

rare items that wouldn't be recognized as such without eBay, and probably never found elsewhere. With a few hundred thousand medals listed on eBay every year, it becomes more apparent to an astute and regular observer which medals are more or less common than previously thought, and even among common types of medals, which might be the rare varieties. American Legion medals, for example, are certainly the most common school medals, with over one million awarded in a half dozen major types since 1922. Several types are always available for sale on eBay at modest prices. In collaborating with Harry Waterson on his recent JOMSA article on this series (November-December,



Figure 5: Original 1922 design for R. Tait McKenzie's American Legion School Award

(continued on Page7)

2014), I found from eBay listings that one variety of the first R. Tait McKenzie design was different from the common type in several respects. Harry later found the artist's original clay models at the American Legion archives in Indianapolis, confirming my hunch that this is the original variety (figure 5), which was quickly modified by the artist for various aesthetic and production reasons.

Also on eBay, it is possible to find family items that are now rarely seen in the traditional channels. Often these family heirlooms come in their original cases, essentially untouched since they were originally awarded, and frequently with award certificates, personal notes, photographs, and other doc-



Figure 6:
University of Buffalo
Chancellor's Medal



Figure 7: Mr. Berry's Academy
medal from Guernsey

umentation that provide historical background information. A few years ago, for example, I acquired a large – 70 millimeter, 5 ounce – gold University of Buffalo Chancellor's Medal (figure 6) that came in its original red leather case with photographs and a wealth of background information on the recipient. Once in a while, a well-known and extremely rare item shows up on eBay rather than in a traditional numismatic auction. In 2013, I purchased two Mr. Berry's Academy medals (figure 7) that were fully equal to the only other one ever in a traditional auction, which had made the Antiques Trade Gazette when it sold earlier that year. A few years before that, in 2011, two extremely



Figure 8: Louis XV Honos Et
Virtus Indian Peace Medal

rare Indian Peace Medals – the Louis XV Honos Et Virtus and large Charles III Al Merito medals (figures 8 and 9) – appeared on eBay at the same time and both brought solid five figure prices. The first medal was purchased by a collector and the other went



Figure 9: Large-size Charles III
Al Merito medal

(continued on Page 8)

to a dealer, who subsequently resold it to the underbidder (a collector who was still very happy to acquire the piece as it is the finest of only two known).

Groupings of related items from a family jewelry box or old-time collection sometimes land on eBay together, providing both additional bargains and insights into the items themselves. For example, according to Tony Lopez, "the seller offering the Honos et Virtus and Al Merito medals also had an exceedingly rare set of seals which included a Native American gunmetal steel cryptographic seal, attached to another seal with a more standard European (likely British) heraldic coat of arms. Strangely, the European seal had a handle matching the style of the hangers used in the small Al Merito Indian Peace Medals. The lot also included a tiny Masonic seal with an intrinsic floating loop which was masterfully carved out of a single piece of wood (suggesting that the owner was British.) These seals likely came from the same estate as the medals, so I think all of it belonged to a British Indian

Agent who may have traded a large George III for the French Honos and Spanish Al Merito medals, and had a seal with his family arms as well as another representing his Native American name." (See figures 10 and 11.)



Figure 10: Native American and European steel seals with the IPMs

One-of-a-kind pieces also show up on eBay at least as often they appear in the traditional numismatic channels. An unusual 1835 Classical & Mathematical Seminary medal (figure 12) that I found on eBay, for example, was engraved on a flattened 1802 Draped Bust half dollar – turn the photo upside down to better recognize the ghost of the heraldic eagle reverse in the blue-green toning.

Globalizing Market

Another aspect of eBay that significantly broadened my own medal collecting pursuits is the international di-



Figure 11: Also with the IPMs, a carved wood Masonic seal

mension. More sophisticated collectors and dealers have always collected from the major dealers and auctions in London, Paris, and elsewhere. The language barriers, foreign exchange and payment



Figure 12: Classical & Mathematical Seminary medal hand engraved on an 1802 half dollar

(continued on Page 9)

mechanics, and sometimes customs considerations all made these overseas transactions difficult, and tended to limit the trade to the very highest value items. For me, it was mostly too high a barrier until eBay started gaining international traction in the early 2000's. The eBay listings from Europe and beyond had all of the same benefits of the American listings. But they also came with PayPal, which made the international payments easier and cheaper than with traditional payment systems, and opened up a realm of lower tier dealers and items that were not previously accessible here.

Indeed, I now find the British and American markets for medals are becoming largely integrated, though this trend may reverse if eBay's new Global Shipping Program gains traction. While it is promoted as providing sellers with more convenient worldwide listing, it significantly increases (and hides) the transaction costs and has been labeled "a rip-off for buyers, particularly when buying multiple lots" and higher priced items.

Even in the listings from non-English speaking countries, Google Translate makes those transactions almost equally seamless and convenient. A few years ago, for example, I purchased an extremely rare Irish Cavan School medal dated 1778 from an eBay seller in Israel (figure 13), and I have purchased a number of pieces from sellers in Eastern Europe, South America, and other places that are farther from the numismatic mainstream.

With this increased accessibility has also come increased awareness and knowledge. In my early collecting experience, I had limited knowledge of the rich history of school awards in Germany and Switzerland, not to mention places like Argentina,



Figure 13: Irish 1778 Cavan School medal from eBay seller in Israel

India, Russia, Australia, and even from Romania. I now have hundreds of school medals from dozens of countries, including a solid collection of 17th and 18th century Swiss school award medals. While I have encountered a few misrepresented pieces and one or two fraudulent items, I can count these instances on one hand, with only nominal financial impact, and the proportion has been similar to my American eBay experience.

Future of eBay?

Despite the initial fears of the traditional dealers and auction houses that eBay would cannibalize their business, this does not appear to have happened to a significant extent. Indeed, the firms like Heritage that have embraced the Internet most aggressively appear to be doing very well, notwithstanding eBay. From both a business and collector standpoint, eBay seems to have reached a level of stability and maturity, and will probably continue to be an important source of medals for our collections.

Rather, I believe that the true threat to the traditional nu-

(continued on Page 10)

mismatic channels will be the emerging plethora of online collector marketplaces, vertical collector communities, meaning specialized (e.g., tokens vs. medals vs. baseball cards vs. political items etc.), auction aggregators, and mobile apps that will siphon off an increasing number of numismatic transactions and put pressure on traditional business models and margins. This emerging online world of collecting will be the subject of a follow-up article in the next issue.

The Medal Collectors of America is an ANA Member club for collectors of world and U.S. art and historical medals. Contact us and we'll send you a complimentary copy of the latest issue of our club publication, the MCA Advisory. It is guaranteed to be a "good read" if you set aside an hour to enjoy it. Our purpose of course is to entice you to join others who love numismatic history, research, and medals worldwide from medieval times to the present. For more information, or to join MCA, email us at medalcollectors@gmail.com or visit us at www.medalcollectors.org.

The preceding article was written by John Sallay and appeared as a three part series in the October, 2015; December, 2015; and February, 2016 issues of The MCA Advisory

American Numismatic Association Celebrates 125th Anniversary

In the 19th century, information about specialized subject matters was hard to obtain, particularly about something as curious as numismatics – the study of coins, paper currency, tokens and medals. Meeting fellow collectors was nearly impossible, especially for those who lived too remote to take advantage of numismatic societies in large cities. Such was the dilemma of Dr. George Heath of Monroe, Michigan, a coin collector whose efforts at obtaining additional knowledge of the hobby and specimens for his collection were hampered by his location.

Supported by his conviction that there was a need for an organization that would reach all collectors, Dr. Heath posed the question, "What is the matter with having an American Numismatic Association?" And so in 1891, Dr. Heath and other numismatists met in Chicago and with 61 charter members founded

the American Numismatic Association. "There is nothing like the alliance of kindred pursuits to stimulate growth and interest," Heath said.

In the last 125 years, the ANA has grown to become the largest nonprofit numismatic organization in the world. The Association provides its 24,000 members access to the best educational programs in the hobby – seminars, lectures, correspondence courses and online learning opportunities – plus the opportunity to engage with like-minded collectors at two annual conventions.



*Tell me and I forget.
Teach me and I
remember.
Involve me and I learn.*
-Benjamin Franklin

