

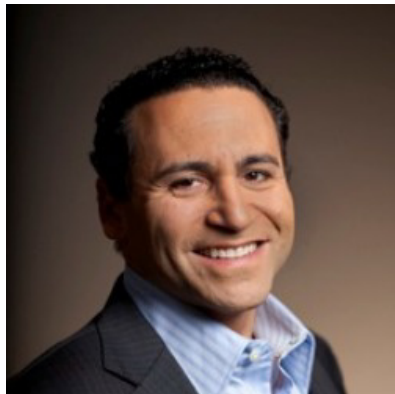
A GUIDE TO SELLING CANADIAN COINS & PAPER MONEY



by Steven Bromberg
President of Canadian Coin & Currency

CONTENTS

- 3 Introduction
- 4 Deal with an Expert
- 4 Dealing Local or with a National Coin Dealer
- 5 Making Sense of Information on the Internet
- 5 Using Coin Catalogues to Value Coins and Banknotes
- 7 Using Third Party Certification Services (such as PCGS or PMG)
- 8 Authenticating Coins
- 8 What About Selling Coins on eBay or other Online Sales Venues?
- 9 Selling through an Auction Company
- 9 Cleaning Coins
- 9 Appraisals for a Coin Collection
- 10 Dealing with Estates, Lawyers and Banks
- 10 Are there any Taxes on the sale of your coins?
- 11 Organizing items for Sale
- 12 Some of the Most Valuable Canadian Key Date Coins to Watch For
- 12 Some of the Most Valuable Canadian Key Date Banknotes to Watch For
- 13 What to Expect if Bringing a Collection in for Evaluation and Sale
- 13 Selling in Store or by Shipping Your Collection



INTRODUCTION

Through more than 30 years as the owner of Canada's largest collector coin business, I have assisted thousands of owners of coin and banknote collections when they decided it was time to sell. Some of them have been collectors who have spent decades building well organized sets of high-quality coins and banknotes. Some have purchased coins each year from the Royal Canadian Mint. Others have inherited collections or bulk quantities of common silver coins and historic banknotes. I have even worked with people who have found that their parents or grandparents stashed away thousands of dollars of old banknotes in a mattress or attic. Regardless of the history behind the collection, every seller wants to know that they will be treated fairly and honestly when selling. With some solid background knowledge, selling your collection can be a rewarding experience without stress or doubt as to whether you are receiving fair value for your items.

A handwritten signature in black ink, appearing to read 'S. Bromberg', written in a cursive style.

Steven Bromberg

Professional Numismatist,
President of Canadian Coin & Currency
Host of "The Coin Show" on tSc (The Shopping Channel)

United States and world coins and paper money, and we can ensure that each item is properly identified and valued.

DEALING LOCAL OR WITH A NATIONAL DEALER

If you have a modest collection and you have an established relationship with a local coin dealer you know and trust, this may be your best option for selling. However, if you think you may have a valuable collection or if there is not a local dealer close to you, you will probably do better dealing with a company with a broader reach. For example, Canadian Coin & Currency has a national and international customer base buying coins online and on television (through the Shopping Channel) in addition to in our retail showroom and store in metro Toronto. With this wide reach, we have a constant need for new inventory, and we are usually able to pay more for collector coins and banknotes than local dealers. From anywhere in Canada or elsewhere in the world, Canadian Coin & Currency makes it easy to send your collection in for valuation without obligation.

DEAL WITH AN EXPERT

First and foremost, if you don't have expert level knowledge about coins, make sure that you deal with a trustworthy expert. Even if a buyer has good intentions and is trying to be honest and fair, without specialized knowledge and experience they may not recognize the full value of some of the items you are selling. Every coin is worth the greater of its collector value or its precious metal value. While many coins are appropriately considered "junk silver" and bought for their silver value, some coins can be rare keys dates worth much more, and small varieties can increase a coin's value many times over. A numismatic expert should be able to quickly identify and separate items worth only their precious metal value from those with greater collector value. Travelling buyers and "cash for gold" venues may be happy to buy your coins, but it is unlikely they will identify and pay fairly for the most valuable rarities that may be mixed with other common items. Canadian Coin & Currency is widely regarded as Canada's leading coin dealer with expertise in Canadian,



MAKING SENSE OF INFORMATION ON THE INTERNET

The internet is full of information about old coins and banknotes. So how useful is this information in understanding values? In my experience, there is a lot of useful information available if you already have a substantial knowledge of attributions, grading and varieties. However, without this background unrealistic expectations and disappointment are likely to follow. Coin dealers and auction houses regularly feature the rarest items in the highest grades. The differences between similar common and rare items can be extreme. For example, a 1920 half dollar in average condition may be worth less than \$10, while a similar 1921 coin can be worth more than \$50,000. The most common variety of 1954 \$20 bill in average condition may be worth just \$21, while a high grade 1954 \$20 note which is both a "devil's face" variety and "replacement note" can be worth more than \$20,000. An experienced numismatic expert should be able to easily separate the common from the rare and identify old coins and paper money that have extra value based on condition or varieties.

USING CATALOGUES TO VALUE COINS & BANK NOTES

So what about coin catalogues? If you have a reasonable knowledge of grading, there are several good catalogues that usually list full retail values for collector coins and banknotes. There

is also an inexpensive book showing typical dealer buying prices. Here is a list of the most commonly used references for Canadian, US and World coins and banknotes.

REFERENCE BOOKS

FOR TYPICAL DEALER BUYING PRICES FOR CANADIAN COINS AND PAPER MONEY

Charlton Coin Guide

FOR HISTORIC CANADIAN COINS

*Charlton Standard Catalogue: Canadian
Coins, Volume 1*

FOR ROYAL CANADIAN MINT COLLECTOR COINS

*Charlton Catalogue: Canadian Collector
Coins Volume 2*

FOR CANADIAN GOVERNMENT ISSUE BANKNOTES

*Charlton Standard Catalogue: Canadian
Government Paper Money*

FOR CANADIAN CHARTERED BANKNOTES

*Charlton Standard Catalogue of Canadian
Bank Notes*

FOR CANADIAN COLONIAL TOKENS

*Charlton Standard Catalogue: Canadian
Colonial Tokens*

FOR US COINS

*Whitman Red Book: A Guide Book of United
States Coins*

FOR WORLD COINS

*Krause Standard Catalog of World Coins
(Multiple large volumes: 1600-1700;
1701-1800; 1801-1900; 1901-present)*

FOR WORLD BANKNOTES

*Krause Standard Catalog of World Paper
Money (two large volumes: 1368-1960;
1961-present)*

Of these books, the only one that shows typical dealer buying prices is the Charlton Coin Guide. The main shortcoming of this book is that it provides limited information about grades and relative values based on the condition of your coins and paper money. It is also a snapshot in time when the book was printed. Precious metal prices and market demand may be higher or lower at the time you are considering selling. While a useful guide, your coins could be worth much more or less than the prices in this catalogue. A numismatic expert can provide current values based on your exact coins and banknotes at the time you are considering selling.

The other books listed show "full replacement value", somewhat like an insurance appraisal. Retail prices will also include the cost of "certifying" more valuable items through a grading service such as PCGS. Most dealers will sell coins at 10% to 40% below the listed catalogue retail values. Typical buying prices which cover a dealer's overhead and a fair business profit will be 40% to 85% of their actual selling price. Buying prices will vary based on a dealer's stock and the average length of time it takes for a coin to sell. Scarce and popular issues (such as a Canadian 1948 silver dollar) will command a buy price very close to the retail value, while slow selling common items will usually be at a lower percentage. You should also be aware that for items with a catalogue retail value below a couple of dollars, most of the listed catalogue price reflects a dealer's cost to package, grade and sell a coin in a retail store.

If you are actively collecting coins, I highly

recommend owning all the books relevant to your collecting interests, as they often include detailed information which will enhance your collecting experience. If you are not actively collecting and are looking to sell your collection, a reputable dealer should have all the above references readily available without you needing to purchase anything. These references can be used to check any item that requires research and can be used to ensure your comfort level that you are receiving fair purchase prices. Canadian Coin & Currency maintains a comprehensive library of all important Canadian and world coin and banknote reference books which are used by our staff and are readily available for our clients to view in store.

USING THIRD PARTY CERTIFICATION SERVICES (SUCH AS PCGS OR PMG)

I am often asked by collectors whether they should have their coins or banknotes third party certified before selling. Most coins and banknotes valued above a few hundred dollars are in fact sold by dealers in sealed tamper-proof third-party certification holders. The most widely recognized and accepted of these services for coins is PCGS, or Professional Coin Grading Service. Coins may be submitted to PCGS for certification by collectors (with a membership enrollment) or through an authorized dealer such as Canadian Coin & Currency. The cost for PCGS coin certification is substantial but can be worthwhile in the right circumstances.

PCGS FEE SCHEDULE FOR CANADIAN AND OTHER WORLD COINS

Coins valued above \$2500
\$65 USD each

Coins valued from \$300 to \$2500
"Standard Service"
\$35 USD each

Coins valued under \$300
"Economy Service"
\$22 USD each (typically 60-120 days)

Tokens and "Special Issues"
\$65 USD each

Additional costs will be incurred for shipping to California (usually by Fedex with insurance), and for the return shipment, and likely for customs brokerage.

When selling a high-end collection of historic coins valued above \$1000 each, having the coins certified in advance of selling can make sense. This is particularly the case when the exact grade substantially impacts the value, as opposed to large gold coins which are often valued mostly on their precious metal content. Rather than incurring a huge expense sending in many coins for certification, Canadian Coin & Currency can help identify if your coins are worth certifying and can even look after submitting the coins for you where appropriate. If the collection is not of high-grade rarities, it is usually not useful or economically sensible to send the coins for certification.

ICCS (International Coin Certification Service) based in Toronto is also a reputable Canadian third-party grading service, and Canadian Coin & Currency is an authorized dealer submitting coins to ICCS. While ICCS has been in business since 1986 and is generally well respected, many collectors prefer the international reputation and premium holders of the US based PCGS.



Submission of paper money to PMG is very similar to sending coins to PCGS for certification.

PMG FEE SCHEDULE FOR CANADIAN AND OTHER WORLD BANKNOTES

Notes valued up to \$25,000
\$200 USD each

Notes valued up to \$10,000
\$90 USD each

Notes valued up to \$3,000
\$50 USD each

Notes valued up to \$1000
\$30 USD each

Additional costs will be incurred for shipping to Florida (usually by Fedex with insurance), and for the return shipment, and likely for customs brokerage.



AUTHENTICATING COINS

Another issue of this day and age is authenticating coins. While the certification services do this in addition to grading, a dealer with experience and expertise will be able to quickly authenticate most of your coins. In addition to looking carefully at a coin with a trained eye and knowledge of what the genuine item should look like, there are several tools that

are utilized by the most professional coin shops. Coins can be weighed on a high precision scale and compared with the known proper weight. A caliper can be used to measure the diameter of a coin and again compared with the known proper diameter. Surface details can be examined under high magnification and compared to known genuine coins. And an XRF machine can be used to test the metal content of the coin in a completely non-destructive way. While good quality XRF machines cost about \$80,000, they can quickly verify if a coin has the right metal content without using traditional metal testing acids which will damage the item being tested. With knowledge and the appropriate tools, a professional dealer can easily confirm authenticity and offer competitive purchase prices. At Canadian Coin & Currency, we explain and show our clients the process for authentication as we evaluate each collection.

WHAT ABOUT SELLING COINS ON EBAY OR OTHER ONLINE SALES VENUES?

If you have significant knowledge and time, this can sometimes be a reasonable option. But before you embark on this, make sure you really understand what is involved. Fees charged by eBay and PayPal plus shipping charges may result in a lower net return than selling to a reputable dealer. You will also need to deal with the risk of fraudulent buyers who may claim they never received the item. And just as a brand name car dealership may sell a used vehicle with their warranty at a higher price than an individual

seller, a well-established and trusted dealer who guarantees the authenticity and condition of their coins will also often be able to obtain a higher selling price than a private seller. In most cases selling to a reputable dealer will net you about the same amount of money for your collection without the risk and expenditure of time.

SELLING THROUGH AN AUCTION COMPANY

Live coin auctions are another option for some collector coins. If you have extreme rarities, you are in no hurry, and you are not risk adverse, this can sometimes net you the best result for your collector coins. Through several decades in this business, my experience has been that coin auctions typically net to the seller wholesale values similar to the prices paid by a reputable dealer. The big difference is that there is usually a seller's fee (5% to 15%) and a buyer's commission (around 20%) on top of the "hammer price". Auction companies usually show the total paid by the end buyer as the "price realized". It is important to remember that the consigner will usually end up with only around 65% to 80% of this amount. If you are working with an expert numismatic dealer when selling your collection, they can assist you to identify if there are any items which will be best dealt with by auction.

CLEANING COINS

Over several decades in this business, I have seen many collections of coins that would have been extremely valuable if the seller had not

cleaned the coins before bringing them in for evaluation. For every coin that may be slightly enhanced by professional removal of dirt or excessive oxidation, there are at least 1,000 coins that are devalued, usually to an extreme extent. In many cases, a natural patina on a silver coin will actually increase the coin's value. If you are thinking about cleaning your coins, the simple answer is **don't do it**. You won't end up getting more for your collection, and you will most likely decrease its value.

APPRAISALS FOR A COIN COLLECTION

At Canadian Coin & Currency we are often asked to provide appraisals for collections, and this is one of the services that we are happy to provide. However, in many cases a formal appraisal is not really needed. The most important question is what is the purpose of the appraisal? If you are keeping a collection and want to obtain insurance coverage for it, a written insurance appraisal is appropriate. This will usually provide "full retail replacement value" for all the items in the collection. Much like a jewellery appraisal, this valuation will be based on the highest retail prices at which it would be extremely easy to replace a loss with a comparable item. A prudent collector could usually buy coins for less than this amount. A similar valuation can also be made at real typical retail prices available to collectors, which is usually in line with a current collector's actual cost for the collection. In order to be useful for its intended purpose, insurance appraisals should be completed by an expert at a well-established coin company, and the basis of

valuation should be clearly stated. Costs for doing formal appraisals usually range from \$75 to \$125 per hour, and the total will depend on the quantity of items in the collection and the amount of detail requested.

Frequently "appraisals" are requested by someone actually looking to evaluate and then sell a collection. This is really a "net sale value" appraisal or valuation. If you do not require a written formal appraisal, this type of valuation is often available free of charge, at least for a modest sized collection or part of a collection. Most professional coin dealers are happy to provide their purchase offer price, which should be equal to a fair net sale value. If you want a formal written "net sale value" appraisal, there may be some options. At Canadian Coin & Currency, we are happy to provide without charge a verbal evaluation based on the price we would pay for your collection. We can also provide a formal written "selling value appraisal" at a cost of \$75 per hour. This valuation will be equal to our purchase offer price. If the seller decides to sell the collection to us within 30 days, the full cost of the appraisal is refunded.

DEALING WITH ESTATES, LAWYERS AND BANKS

Although I now work full time in the coin business, I am also a lawyer and member of the bar in Ontario. As such, I know that it is sometimes necessary to provide detailed valuations and paperwork to satisfy all parties that may be involved with an estate or other division of property. If you are selling a collection which

requires careful attention to these issues, an experienced and professional coin dealer should be able to meet your requirements without difficulty.

ARE THERE ANY TAXES ON THE SALE OF YOUR COINS?

While different rules may apply in different jurisdictions, in Canada there is an exemption which makes the sale of most (but not all) collector coins and paper money exempt from capital gains taxes. The Income Tax Act has a provision for dealing with "Listed Personal Property", which includes coins, stamps and jewellery. If this type of collectible is sold for less than \$1000, it does not normally attract any capital gains tax (or qualify for a capital loss). This will usually apply to each item even where the total value is over \$1000, provided that it is not considered a set that is normally kept together. If you are uncertain about capital gains taxes on your collection, we recommend you discuss with your accountant. You should also note that Canadian Coin & Currency does not provide any direct reporting relating to the sale of collector coins, and any capital gains reporting is the sole responsibility of the seller.

ORGANIZING ITEMS FOR SALE

If you are working with a professional coin dealer to sell your collection, it is not necessary to do much in advance to organize your collection. If you have a big collection, it is certainly useful to put similar items together, but an expert will likely be able to organize the collection more quickly and efficiently in a way that makes sense for valuation. I have seen individuals who inherited thousands of well circulated silver coins dated from the 1940s to 1960s who have sorted, bagged and recorded in a spread sheet all the coins by denomination and date. While they had great intentions, the silver value of these coins exceeded any collector value, and the most efficient way to deal with them was to empty all the little date bags into one bin to weigh it.

One useful thing that you can do in advance (if you wish) is to separate common Canadian coins by silver fineness. The following is a general guide to identifying the silver content of different Canadian coins:

.800 FINE SILVER

All silver dollars 1935-1967, half dollars
1920-1967, Dimes and Quarters 1920-1966

.650 FINE SILVER (AVERAGE)

1967 dimes and quarters

.500 FINE SILVER

1968 Dimes and Quarters (non-magnetic
only)

.925 FINE SILVER

All Dimes, Quarters and Half Dollars 1919
and older

Higher grade coins from the 1950s and older may be worth more than silver value, but these can still be separated after sorting by silver fineness.

SOME OF THE MOST VALUABLE CANADIAN KEY DATE COINS TO WATCH FOR

While there are hundreds of items that could have substantial premium values based on the combination of condition, rarity and demand, the following is a list of a few of the key dates in Canadian coins with a range of value from average grade to high grade. Note that condition plays a major role in determining value, and each key date coin should be carefully graded and valued.

SILVER DOLLARS

1945: \$100 to \$500+
1947 with Maple Leaf: \$150 to \$500+
1948: \$600 to \$1500+

50 CENTS

1870 no LCW variety: \$500 to \$10,000+
1890H \$1,000 to \$25,000+
1905: \$50 to \$5,000+
1921 \$25,000 to \$100,000+
1948 \$50 to \$200+

25 CENTS

1875H: \$150 to \$5,000+
1885: \$50 to \$2,000+
1889: \$75 to \$3,000+
1906 small crown variety: \$1,000 to \$15,000+
1936 Dot variety: \$20 to \$1,000+

10 CENTS

1875H: \$150 to \$2,000+
1884: \$75 to \$3,000+
1889: \$300 to \$5,000+

5 CENTS

1875H: \$75 to \$1,000+
1884: \$50 to \$1,000+; 1921
\$2,000 to \$10,000+
1925: \$30 to \$1,000+

1 CENT

11858: \$25 to \$1,000+
1891 Small Leaves Small Date variety: \$40-\$500+
1922: \$10 to \$500+
1923: \$20 to \$700+

SOME OF THE MOST VALUABLE CANADIAN KEY DATE NOTES TO WATCH FOR

There are also hundreds of very valuable Canadian banknotes. These are a few notables that are both popular and highly sought after. Value ranges are from average condition to high grade condition.

DOMINION OF CANADA NOTES

\$1 note 1866: \$1,000 to \$10,000+
\$2 note 1866: \$1,500 to \$18,000
\$1 note 1870: \$250 to \$10,000
\$2 note 1870: \$1,000 to \$20,000
\$4 notes 1900/1902: \$250 to \$15,000
\$100 note 1911: \$50,000 to \$200,000+
\$5 note 1912: \$200 to \$5,000
\$5 note 1924 \$1,500 to \$15,000
\$500 note 1925: \$30,000 to \$200,000

1935 BANKNOTES

\$20 note: \$250 to \$10,000+
\$25 note: \$700 to \$20,000+
\$50 note: \$800 to \$20,000+
\$100 note: \$500 to \$20,000+
\$500 note: \$30,000 to \$200,000+

1937 NOTES WITH OSBORNE SIGNATURES

\$50 note: \$300 to \$5,000+
\$100 note \$300 to \$5,000+

1954 DEVIL'S FACE VARIETIES

Range from small premiums to \$10,000+

1969-1991

Rare Test Notes and Replacement Notes can have premiums from \$25 to \$10,000

WHAT TO EXPECT IF BRINGING A COLLECTION IN FOR EVALUATION AND SALE

While the experience may be different with other dealers, I can share with you the basics of meeting with a professional buyer at Canadian Coin & Currency. Expect a highly secure and professional environment with free parking close to our door. If you need help bringing in your collection, we will be happy to assist. Several semi-private buying areas are available as well as a private office for high value collections and clients who request full privacy. Staff have access to all relevant reference catalogues as may be needed as well as precious metals testing equipment and precision scales. Whether evaluating your small collection requires a few minutes or your larger collection requires several hours, we will provide detailed information for you to make an informed decision about selling. Our goal is to meet your needs and make evaluating or selling your collection a positive and rewarding experience.

SELLING IN STORE OR SHIPPING YOUR COLLECTION

As a Toronto area coin store with a national customer base, Canadian Coin & Currency serves clients both in our showroom and by receiving shipments by courier. If you are able to come to the metro Toronto store, we recommend making an appointment in advance. In this way, Canadian Coin & Currency is better able to ensure that a qualified buyer will be ready



to assist you. Appointments can be made by calling 1-888-236-2646 or by email info@cdncoin.com. If you are not in the metro Toronto area, Canadian Coin also welcomes you to send your coins and paper money for evaluation and our prompt purchase offer.