

# Rare Coin Report

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## Rare Coins & the Economy

### Stage Set for Gold Bubble

Take \$12 trillion in Federal debt, \$10 trillion and counting in new money creation, projected Federal deficits over \$1 trillion per year for the foreseeable future, unfunded Federal entitlement obligations of nearly 40 trillion and additional trillions for cap and trade, bail-outs and health care. Then, combine these with a nervous populace which has already accumulated \$10 trillion in money markets, cash and CD's earning 1-2%, and is adding roughly \$800 billion more each month. What will you have? The answer: a recipe for a massive bubble in gold and rare coin prices.

Unless the Fed withdraws cash from the economy (the same action that triggered the Great Depression) which would force interest rates up, Federal spending, borrowing and printing outlined above must eventually show as inflation. Additionally, if the Fed allows interest rates to rise, interest on the national debt - now half a trillion per year—could double. I do not believe politicians are willing to face the public anger such an action would create—they would rather inflate the currency every time, just as they has done since the creation of the Federal Reserve in 1913.

Continued Page 2

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you to sell your coins,  
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## Message from the Owner

Perhaps the most rewarding aspect of my work is when one of my many satisfied customers refers a friend or family member. I greatly appreciate your vote of confidence in me and my commitment remains firm to always provide outstanding service, extremely competitive buy and sell prices, and to do so in a friendly and professional matter. **Thank you!**

Our **IRA Gold** program continues strong as more people diversify retirement wealth from typical stocks and bonds. Call me direct for information.

News and developments in coins and the economy continue fast and furious. It is a challenge to stay informed, analyze and inform you with the timely, important information you need.

That is the mission of my ...

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Special thanks to my assistant **Mike Clarke**. His outstanding work helps keep me in better touch with you. As **CNP** grows, developing an outstanding and professional team is crucial. Mike is proving himself essential to that effort. I hope you appreciate him as much as I do.

Thank you again for helping make **CNP** a real success story, as we move into what may be one of the most exciting and profitable times for rare coins in history.



**Lawrence D. Goldberg**  
Owner, CNP, Inc.

## INSIDE THIS ISSUE

**Excellent Opportunity in Patterns, Key Dates, Bank Notes and Collectible coins. (P. 3)**

**Special Note to Financial Professionals (P. 3)**

**San Francisco Coin Show November 6-7 (P. 2)**

**“When is a “Deal” not a “deal?” (p.3)**

**Have a Coin Question? Give me a call! Toll Free!  
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(continued from p. 1)

## Gold Price Bubble

Monetary inflation is here but is not yet showing in the rightfully maligned Consumer Price Index. When it does start to show in the CPI, these accrued trillions will rush out like water through a broken dam. Expect coins/gold to receive huge influxes of this "new" cash as investors seek to retain wealth and protect against the falling dollar, pushing prices up sharply. This price increase will likely attract millions of new buyers and billions of new dollars, creating a

Excellent buys now exist in areas where demand is lower, such as patterns, rare/key dates, collector coins and especially bank notes. Dealers will take less profit in these areas to control inventory and cash flow, but will not discount significantly because business overall is excellent and because they expect prices may rise significantly soon.

Thus, decent prices can be obtained selling into this market, especially if you are trading collector oriented material for gold bullion or investment coins, enabling dealers to



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huge bubble in coin and gold prices.

Coins and gold are relatively small markets, so even small capital infusions have dramatic impact. The impact of truly large amounts of capital pouring into coins is truly incalculable—but it would be huge.

We cannot say when exactly this will happen. Expect sooner rather than later. Dealers, who react to daily market conditions, are keeping inventories small to manage cash flow, a strategy supported by thin supply of fresh material market wide. A sudden increase in demand could wipe out their inventory, catapulting prices upward as they scramble to resupply. Collectors and accumulators who buy before this price spike should benefit handsomely.

cut their margins and still turn a profit.

Economics goes in cycles. If history is any guide, years from now, after inflation booms and the bubble busts, coins will emerge at such high price levels that they will likely out-perform stocks, bonds, real estate and pretty much any other investment area out there. (see article p. 3)

Despite recent price gains, the window for gold and investment coins (MS-65 St. Gaudens) remains wide open.

The cardinal mistake in this environment is failing to have between 10-20% of your investments in hard assets like rare coins and gold bullion. I therefore strongly urge you to buy long and buy strong.

### \$1,000 Bank Note



### J-876 1870 \$.25 Pattern



**St Gaudens \$20 MS-65**



## Excellent Opportunities: Patterns, National Bank Notes, Currency and Collector's Coins

Just as in football where the offense takes what the defense gives, or "wag the dog" scenarios where politicians focus attention on one area to distract from actions in other areas, in coins it is an advantage to operate under the radar. The lackluster economy has created a weakness of demand for the "pure collectibles."

Thus dealers have dropped prices for patterns, key dates, low end collectibles and especially bank notes. However, since inventories are thin and dealers expect increased prices soon, price drops while significant are not huge and will not last long. Dealers will take lower profits now but will not discount strongly. This spells OPPORTUNITY for astute buyers—while it lasts.

**CNP** is no exception. We recently cleaned out vaults and storage, and have exceptionally attractive buys in these areas. We also access inventories of other dealers, augmenting our supply of collector material.

Looking for that key date coin, national bank note, unusual pattern or other collectible, or want to in-

crease your position in these areas? Now is a superb time to take advantage of favorable market conditions.

A note of caution: Do not delay. Once even a miniscule fraction of the trillions now accumulating in cash accounts (see article Page 1) starts flowing into hard assets, dealer's thin inventories will quickly deplete, driving prices rapidly upward.

Unlike dealers, who must balance inventory and cash flow, collectors and accumulators have the luxury of planning in advance how much they wish to put into hard assets, and positioning it much earlier.

In addition to collectibles, this also applies to gold and gold investment coins, like the \$20 St. Gaudens in MS-65. These are ideal for the investment minded, and those wanting fast liquidity.

Thus, if you want the convenience of rapid liquidity, or expect to liquidate sometime in the next five to ten years—and you are investment oriented—you might consider trading your collectibles for gold and gold investment coins or just buy more gold outright. Again, I urge fast action. The overwhelming likelihood of massive future inflation will allow the window of opportunity to remain open only so long.

In any event, and at risk of sounding like a broken record, I strongly recommend at least 10-20% of assets be in gold, gold investment coins, and/or rare coins. Downside is low, and the upside is outstanding.

## Special Note to Financial Professionals

From Lawrence Goldberg, President, CNP, Inc.

Many financial professionals receive this publication. If you are a stock broker, financial planner, accountant, estate planning attorney, or estate executor, we at **CNP** understand your concerns about the confidentiality, security and most of all, respect for the relationship between you and your clients when dealing with an outside specialist.

Does a client of yours need to evaluate and/or sell coins they have accumulated or inherited? We are estate specialists. Perhaps your clients want to physically own rare coins or precious metals or open a precious metals IRA? We make these transactions worry free for you and your client, while respecting your professional and financial relationship with your client, and usually at lower cost than our competition.

A coin dealer who is experienced, reliable, knowledgeable, and personable makes a huge difference in the ease, security, confidentiality, and profitability of transactions involving physical possession of rare coins, currency and/or precious metals.

As CNP President, I personally manage all dealings with the clients of financial professionals to ensure outstanding service and the highest professional standards.

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## When is a "Deal" not a "Deal"

I have lately received many inquiries asking whether a particular coin deal on television, on line, or from another dealer is a "good" deal.

Naturally, I would rather you purchase from or sell to me—and I offer excellent buy and sell prices to make that more attractive to you. However, if you do find a better deal than I can offer, I am all for you getting it.

Frequently, however "deals" that appear outstanding simply are not, like the old adage: "If something seems too good to be true it often is." "If the price is too low, there is usually a good reason."

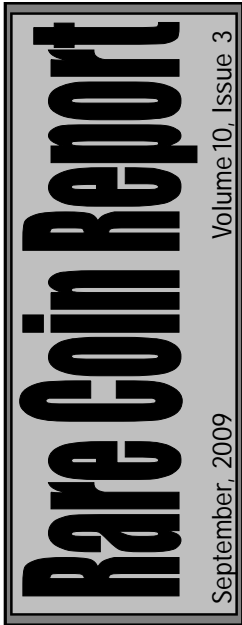
Here are key things you should examine to know if a "deal" is a "deal." Unless you are an expert grader, only buy coins certified by PCGS or NGC. There are several "second-tier" grading services whose grades are not accepted sight-unseen in the market place as they are often over graded by as much as two to four grades.

Avoid paying huge premiums for high grade modern issues. Modern mint processes are so good, almost any modern coin will grade MS-68 or better. Paying a high premium for an MS-69 or MS-70 of such a coin will likely "bury" you in the coin, as the resale will almost certainly not include that hefty premium. Furthermore, the market for those coins is extremely mercurial.

Beware of counterfeits, especially for purchases

*Continued on Page 4*

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made on-line. The Chinese, who it seems counterfeit everything these days, have been openly producing counterfeit coins, and even counterfeit PCGS holders. This is a huge problem for buyers on E-Bay and other on line sites. [www.collectorsuniverse.com](http://www.collectorsuniverse.com), the PCGS website has good information on counterfeits. However, by far the best strategy is to buy from a reputable US based dealer. US dealers are "all over" the counterfeiting problem, know how to detect counterfeit coins and holders, and actively keep counterfeits out of their inventory. Moreover, if they make a mistake, you have recourse.

Also, do your homework. Check Coin Values Magazine or the on-line PCGS price guide to get a general idea of what the coin's retail value should be. Do not make the purchase if the coin's price is significantly higher than those guidelines. And PLEASE—do not hesitate to call me and ask. I would rather spend a couple of minutes with you—even have you buy from someone else - than have you waste money on a bad deal. Or (shameless plug) just buy and sell with me only! I guarantee your satisfaction.

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For a **FREE** portfolio analysis, specific questions on the direction of the coin market, or to buy or sell coins, please call me, Lawrence Goldberg, toll free at

**(800) 334-3325**

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