

Welcome to the C.N.A. E-Bulletin Vol. 2, No. 22 – August 25, 2006

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INTRODUCTION

In my daily visits to Tim Hortons, I have learned to always look at my change. Not that I expect to receive any more Poppy quarters, but I have received an unusual amount of commemorative quarters of all kinds. Mixed in with last year's Alberta and Saskatchewan quarters has been a fair share of Mountie quarters from 1973, the special design quarters from most months of 1999 and 2000 and others. Who is dumping all these old commemorative coins? Does anybody else have similar experiences, not just at Tim Hortons but elsewhere?

I know what you are thinking. Canadians talk a lot about Tim Hortons? It is so popular in Canada, that they have even opened an outlet at the Canadian military base in Kandahar because 2,200 troops stationed in Afghanistan, who are homesick for their coffee and doughnuts, demanded it. Uncle Sam might have said: "We want you!" but Canadian soldiers are saying: "We want Tim Hortons!" Over 100 Canadians applied for the 15 jobs that are available. Think of all the money I could save if I had applied. I could get my coffee for free.

BUYER BEWARE

I wonder if any of the people that went on the Niagara-on-the-Lake tour during the recent C.N.A. Convention went into the "Wee Scottish Loft" and saw the coins in a frame on the wall?

About eight coins were in a frame entitled "Best of Great Britain." Surrounded by a brief description and colorful illustrations, the coins, both copper and silver, were the shiniest that I have seen in my 40--plus years in the hobby. There were only four problems with them:

1. They were so worn, you could not make out any of the details on King George VI and Edward VII. I don't need a grading service to tell me they would have trouble being rated G-20 at best. Too bad the description did not include phrases like "highly polished" and "filler condition."
2. When the purchaser of the coins eventually takes them to a coin dealer and is told that there is no demand for well-worn, polished coins, all dealers will be branded as thieves trying to rip them off.
3. The coins, common date British Penny and Half-Penny coins for the most part, were glued to the cards and even shinier than the silver coins. And just as worn.
4. The price! \$169.00 for what I think you could buy from a reputable dealer for no more than a quarter the price, but without the excessive wear. I guess they have to charge more for all the time spend on polishing them!

Good thing they didn't refer to the condition or potential resale value. If they did, I am sure the Consumer Protection Bureau would have liked to hear from me.

What have you come across that got your goat up?

TAX SCAM BUSTED AFTER CANADIAN, U.S. INVESTIGATION

More prove that scams appear everywhere and can affect anybody.

The U.S. Internal Revenue Service and Canadian tax authorities said they uncovered across-border scheme involving upper-income investors who withdraw money from their retirement accounts, then invest in bogus offshore companies to generate huge tax losses.

The tax shelter, hawked on the Internet and in seminars by promoters in the U.S. and Canada, involved hundreds of taxpayers who logged tens of millions of dollars in improper deductions and unreported income from retirement-account withdrawals.

The IRS has been stepping up efforts against abusive and illegal tax shelters seen contributing to the growing \$290 billion (U.S.) annual tax gap - the amount of tax assessed but not paid to the U.S. treasury.

This latest tax shelter was uncovered when a tip came to Canada and was shared with the U.S. In the scheme, promoters marketed themselves as investment clubs with an opportunity to invest in what would appear to be high-yield offshore investments. The participants then transfer money into a complicated series of investments that would allegedly allow them to bring the money back into the U.S. and Canada without paying any taxes.

DISCONTINUED CREDIT CARDS

From time-to-time, we keep reading about consolidations of financial institutions. For example, the latest is credit card issuer Capital One Financial Corp. buying North Fork Bancorp. Inc. for about \$14.6 billion (US), giving it over 50 million customers. Last year, Washington Mutual Inc. of Seattle acquired credit-card issuer Provident Financial Corp., and HSBC Financial Corp. acquired card issuer Metris Co. Investment banker Morgan Stanley has announced it will acquire British credit card firm Goldfish from Lloyd's TSB, expanding Morgan Stanley's Discover card division's reach into Europe. Meanwhile, Bank of America Corp., based in Charlotte, N.C., acquired MBNA Corp. on January 1, creating the largest U.S. credit card issuer.

This leads me to the question: How many different credit cards have been issued by companies that no longer exist, and will a lot of them become scarce and valuable? How many different credit cards are currently in use in North America? How many billions of individual credit cards exist? Are there catalogues on the subject?

Personally, I collect only my own outdated credit cards, part of my Medium of Exchange collection. Although I might add a Monopoly debit card when the revised money-less version of the game comes to North America.

NEW HIGH-TECH CARDS GETTING READY TO DISCREDIT FRAUDSTERS

Another modern collectible to soon add to my credit card collection!

Because of \$200 million a year in credit-card fraud in Canada alone, a new generation of credit cards are starting to inhabit North American wallets. The new cards have an embedded computer chip, and the new generation of card readers, already in some stores, require the authorized cardholders to enter a personal identification number as we do with debit cards. Entering a PIN instead of signing a receipt will generally assure the card issuer that you are who you say you are. This will result in faster checkout lines, reduce the risk of someone else using a lost card or stealing personal information. The Royal Bank's Avion travel rewards cards already contain a yellow spot with contact points to communicate with a card reader.

Because of the slowness of some countries to adapt to new technology, cards will continue to use raised lettering for carbon imprints and magnetic strips for old generation card readers for

years to come. It will also take some time to work the bugs out, as travelers to other countries found out when they could not get their cards read because of incompatible equipment.

TWENTY OUNCE SILVER BAR MAKES NICE PAPERWEIGHT

A question-and-answer column in MoneySense Magazine asked the question: "I was given a 20 oz. bar of pure silver by my grandparents 25 years ago, which I've been using as a paperweight. Where can I sell it?"

Their answer: "If you want to cash in on the rocketing gold and silver prices we've seen lately, you may be surprised to learn that you can drive to your closest Scotiabank, plunk your bullion on the counter, and sell it at market prices. Bernard Hunter, Director of precious metals at ScotiaMocatta, a division of Scotiabank, says the exact process will depend on whether your bullion is in standard bars or not, the condition of the bars, whether you're a regular customer, and the branch that you go to. For instance, if you're cashing in a pristine, standard gold bar (400 oz of pure gold, worth about \$300,000) at the main branch in Toronto and you originally purchased it from Scotiabank, they would likely immediately credit your account. On the other hand, if you walk into a branch in Flin Flon, Man., with a beaten up non-standard silver bar and they don't know you from Adam, the branch will probably liaise with ScotiaMocatta in Toronto to have the bar properly weighed and tested for purity (at your expense) before you'll see a cent. Either way, the bank will charge you a processing fee of up to 0.25% of the value of your bar. If it's worth over \$10,000, you may have to fill out government documents proving that you're not laundering money. If the thought of sending your gold or silver through the mail doesn't make you nervous, you have another option. Kitco (www.kitco.com), the big U.S. precious metals dealer, has an office in Montreal, and they don't charge a commission. Both Scotiabank and Kitco will buy bars, ingots, coins or wafers of gold or silver that meet minimum purity levels, and Kitco will even buy scrap and dental gold."

Not a single mention about the conveniently located local coin dealers or all the coin shows where competitive quotes on silver and gold can be obtained for free.

And why is Flin Flon mentioned in the article? Didn't Moose Jaw hold the title at one time of most mentioned for no good reason, except maybe because of the cold weather? But Flin Flon has a long way to go before it beats out Timbuktu, including in the movies.

DUMB CRIMINALS AND MONEY STORIES FROM THE PRESS

We speak of dumb criminals and money quite regularly in these pages. Here are a few items about money that Reuters News Service reported recently:

REPENTANT ROBBER RETURNS CASH, WITH INTEREST

A Japanese man who robbed a post office returned more money than he stole and turned himself in after deciding to come clean for the sake of his girlfriend. The 33-year-old stole 340,000 yen (\$2,300) at knifepoint from a post office in western Tokyo in March. Ridden with guilt, he went back to the post office at the end of May and left 350,000 yen in an envelope on the counter before running off.

Sunday, he turned himself in to the police, Asahi TV reported. "I did the robbery because I was short of money," Asahi quoted the man, who works as a gardener, as saying. "I didn't want to get arrested when I took the money back, but I talked to my girlfriend about it and thought I should clear things up quickly for her sake."

The Mainichi newspaper quoted the man as saying he gave an extra 10,000 yen back because he was sorry for what he had done.

A Tokyo police department spokesman said they were still discussing what to do with the extra cash. I could give them an idea and I would even be willing to send them a stamped, self-addressed envelope.

STREAKER SELLING BIKINI TO PAY FOR COURT COSTS

A woman who invaded the field in the final seconds of a recent game between New Zealand and Ireland in Hamilton wearing just a bikini has put the two-piece suit up for sale on an online auction website to help pay for her court costs.

Lisa Lewis, 25, ran onto the field at Waikato Stadium about 30 seconds before referee Stuart Dickinson blew the whistle to signal the end of the game, won by the All Blacks 34-23. Lewis was grabbed by security guards and arrested by police and later charged with disorderly behavior.

"As a result my bikini is up for sale to assist in paying for my court fines and costs. Come on people help me out," Lewis wrote on the Trade Me website (www.trademe.co.nz). Lewis's decision to sell the bikini follows that of Christchurch woman Nichole Davis, who auctioned her handbag after it was used by former All Blacks captain Tana Umaga to subdue team mate Chris Masoe in a bar after the Super 14 final last month. Masoe had struck another patron in the face and Umaga stepped in to break up the scuffle, resulting in him using the handbag to hit the fellow All Black in the head to calm him down. The handbag sold for just under NZ\$23,000 (\$14,650).

Lewis wrote on the website she had decided to run on to the field because it was on a list of tasks she had made to achieve before she died. However, she did not recommend it to anyone else. "Even though this was a lifetime goal of mine to streak on a rugby field, and obviously fulfilled that dream, I do not recommend running on a rugby field in the middle of a game again - as the consequences are severe," she wrote.

Messages on the website have been mixed with some critics claiming Lewis was not technically a streaker given she had been wearing the bikini. The last time we checked, the auction had attracted 10 bids with a top price of NZ\$615.

MONEY ALONE SETS THE WORLD ON FIRE

A man set his car on fire in Belgrade when he heard how much he had to pay to reclaim it after it was towed away for illegal parking.

An attendant told the daily Press the man was very calm. "He went to his car, took a few things then opened the hood and set the engine on fire. When it was well ablaze he got on his bike and rode off."

ISN'T IT SUPPOSED TO BE HARDER TO ESCAPE?

Robbery and kidnapping sent the man to jail. A helicopter got him out, when it landed in the middle of the high security Athens Korydallos prison, picked up two prisoners and flew away in a Hollywood-style escape that has left Greek police stunned.

A criminal on the run hijacked the helicopter Sunday to get his brother out of prison, police said. Vassilis Paleokostas, 40, who was serving a 25-year sentence for kidnapping and bank robbery,

and an Albanian convict escaped. "The guards thought it was a surprise inspection by ministry officials and did nothing," a police official said.

The helicopter pilot, who said he was forced at gunpoint to undertake the mission, flew the inmates to a nearby cemetery and they made their escape on motorbikes. Greek police have launched a manhunt for the convicts.

CONCLUSION

If you have written to me in the past number of weeks and have not seen it published here, don't worry, it will catch up with us as soon as we replace our broken laptop where we received e-mails addressed to cnanews@look.ca.

John Regitko
Your C.N.A. E-Bulletin Editor
Canadian Numismatic Association

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