

Welcome to the C.N.A. E-Bulletin Vol. 3, No. 26 – April 27, 2007

An electronic publication of the Canadian Numismatic Association
Copyright © 2007, the Canadian Numismatic Association

INTRODUCTION

Well, now we have proof that coin collecting is an addiction.

According to a study by a Florida State University team, brain chemistry responsible for addiction plays a role in love. Researchers said the chemical dopamine stimulates the brain's reward centre. Dopamine plays a key role in attracting people back to sources of pleasure. It also acts to keep a drug addict hooked on heroin or cocaine.

So what does that have to do with us? Well, by extension, since I love coin collecting, I am addicted to it!

YOUR COMMON PENNIES COULD BE WORTH A FORTUNE

After listening to Jay Leno yesterday, I think I am going to make a fortune going into business selling common cents.

In his segment where he asks the audience if an item on eBay sold or not sold, he featured the auction of a Good Luck Penny. The seller said it helped him win at poker and he always came home with more money than he started with. It was also stated that the penny illustrated is not the actual penny because the owner "did not want the scanner to damage the original lucky powers of the penny." All it was is a common dated U.S. Lincoln cent. The starting bid was \$9.99, which is what it sold for.

The question I have is: If the penny was so lucky, why is he willing to sell it for a measly \$9.99?

Jay Leno added that he used to advertise in the newspaper: "Copper engraving of our greatest Presidents." If he got an order, he shipped them a U.S. cent. He added: "Postal inspectors used to come to our house."

BANK OF CANADA GOVERNOR TO RETIRE

A change in the signatures you see on Canada's paper money is in the offing, but you will have to wait a little while longer. Although Bank of Canada governor David Dodge will not seek a second term, he will remain in office until January 31, 2008 when his current contract as the bank's seventh governor expires. Canada has the world's eighth largest economy.

Mr. Dodge started serving his seven-year term just as the U.S. Federal Reserve was slashing interest rates, sliding into recession and stock markets were imploding. He eventually cut Canadian rates all the way down to two per cent in 2004, the lowest level since the 1960s. He also saw the Canadian dollar shoot up from around 62 cents U.S. to around 90 cents.

According to David Olive, business columnist for the Toronto Star, David Dodge's tenure as one of the world's most admired central bankers began with the collapse of the dot-com and tech bubbles, erasing \$8 trillion (U.S.) from North American equity markets; a U.S. recession sure to spill into Canada; the horrors of the 9/11 attacks; and an unprecedented white collar crime wave that was a hammer blow to corporate leadership far beyond the halls of Enron. Then came two wars, in Afghanistan and Iraq; the near-bankruptcy of the North American airline and tourism industries; the mad-cow scare; the soaring world oil and gas prices that threatened to play

havoc with inflation; the varying priorities of three prime ministers; and economic booms in India and China, whose wildly gyrating stock markets sent shock waves across the Pacific last year. And during the ceaseless tumult, Dodge was the calmest voice in the storm.

Sound fiscal policies, continued strength in the U.S. housing and auto sectors that benefited Canadian exporters, and Dodge's own timely – and drastic – reduction in the bank's key overnight lending rate to a temporary 40-year low saw Canada's economy continue to thrive, boasting the strongest GDP growth among the G-7 nations during Dodge's first two years. Canada did not follow the United States into recession for the first time in memory. The dollar rose to levels not seen since the 1970s; and unemployment fell to a three decade low. With a \$42 billion deficit hanging over their heads, Dodge was the prime agitator for drastic cuts to restore government solvency.

He speculated early in his tenure about a common Canada-U.S. currency, although his superiors stated that Ottawa would never contemplate such a thing.

COLLECTOR PAYS \$5M FOR RARE NICKEL

A Southern California coin collector paid \$5 million for a rare 1913 "Liberty Head" nickel, the most ever paid for a nickel and the second highest price ever paid for any coin, according to the coin dealer who arranged the sale. The \$5 million was second only to the \$7.59 million paid in July 2002 for a \$20 Double Eagle gold from 1933.

The unidentified collector bought the 1913 nickel Wednesday from Legend Numismatics of Lincroft, N.J. and a businessman in Washington state, who jointly purchased the coin in May 2005 for a then record price of \$4.15 million, said Ronald J. Gillio, who negotiated the sale, according to Associated Press. Only five 1913 Liberty Head nickels are known today, with two in public museum collections.

Numismatic News, in their most recent e-bulletin, asks the questions: "Did the seller decide to lower his minimum price? Did the unnamed buyer decide to offer more now in private instead of at the auction? Why do you think the coin sold now instead of at the auction? Dave Harper at nn@krause.com wants to know."

Well, I couldn't resist e-mailing an answer: "I had accumulated a lot of cents in my dresser drawer until finally the bottom dropped out from the weight. After counting and rolling them, I came up with \$4,999,999.65 only. The seller wouldn't budge, so it took me four months of emptying my pockets at bedtime until I came up with the additional pennies." I bet they won't publish that in Numismatic News.

JAPAN'S GOLDEN TRASH

You know what happens to dead computers and cell phones? No, they don't go to computer and cell phone heaven. They go to jail, according to an article by Yoshifumi Takemoto that we recycle here from Bloomberg News:

Scrap metal dealers are recycling everything from dentures to gambling machines as prices for precious metals skyrocket. Japanese dental technician Isao Miyoshi sees opportunity in the buckets full of gold dentures at his office in Saitama. The pails hold some of the 3,000 sets of false teeth he has collected from dentists since December for recycling. "A set of dentures is usually 12 percent gold, 20 percent silver," said Miyoshi, 63. "It struck me we could turn them into money."

Rising prices for precious metals are spurring Japanese to comb through items that used to be discarded as scrap. Recyclers are turning old cell phones and the three million pachinko gaming machines retired each year by gambling parlors into everything from hard disk drives for Apple Inc. iPods and pollution control devices for Toyota Motor Corp. cars.

Dowa Holdings Co. and Nippon Mining Holdings Inc., Japan's largest silver and copper smelters, respectively, say they plan to spend a total of 23 billion yen, or \$215.9 million (Canadian) by 2010 to expand recycling efforts and build new plants.

The amount of industrial waste recycled by Japan's 10 biggest metal processors grew 10 percent to 1.64 million tons in the year ended March 2006, according to the Japan Mining Industry Association. That amount has doubled since 1999. The metals are used in everything from motherboards that house electronic circuitry in the smallest of consumer goods to chemical filters in factories and catalytic converters for cars.

In past years, Japan buried old televisions, digital cameras and computers in landfills or exported them to other countries, including China, for scrap. Now, some discarded goods are more likely to go first to a local prison. Inmates at Nagoya Jail in central Japan, for example, are dismantling pachinko machines in search of components that contain metals such as gold, silver and palladium, said Ayumu Masuda, owner of Mastec Masuda Group, a scrap merchant, which breaks them down further and sells them to smelters.

World metal prices are soaring as China, the world's cheap manufacturing hub, produces more goods such as air conditioners and calculators.

Gold is selling double the price of 2003. Silver has tripled over the same period and platinum has doubled.

Collection boxes have been placed in some supermarkets in Japan for old electronic devices. The Japan Denture Recycle Association has raised 3.3 million yen from recycled false teeth and donated it to UNICEF.

MONEY CAN'T BUY YOU ART

Is the following another sign for the people who have been predicting the demise of money as we know it?

The Toronto Timeraiser auction has several dozen works from artists which will go on the block tomorrow. But it's not your cash the auctioneer is looking for; it's your time. Each work will be auctioned off to the bidder who pledges the most hours to charitable work to be performed over the next year.

Last year, Susan Hyttenrauch walked away with a painting that cost her a whopping 227 hours of her time volunteering. Some artwork might be had for as few as 20 hours.

CLUB SHARES IDEA FOR PROMOTING HOBBY

We received a note from Jim Majoros advising us that the Ocean County Coin Club in New Jersey received some excellent publicity recently in the Ashbury Park Press, thanks to a club promotion.

COIN CLUB TO CIRCULATE 20 PRIZE-WINNING QUARTERS

by Bobbi Seidel, Staff Writer, Ashbury Park Press

Check your change carefully after Sunday. That's when the Ocean County Coin Club will spend 20 quarters at area stores, each coin with a sticker on it that will enable some lucky person to win a prize. The coin drop is part of the American Numismatic Association's National Coin Week, said Jim Majoros of Toms River, president of the non-profit Ocean County club.

The coins are being spent at stores in northern Ocean County and southern Monmouth County, he said. The stickers will say "ANA National Coin Week - www.money.org." The person who finds a coin and is the first to call him will receive a 2007 four-coin Presidential Proof Set, Majoros said, noting he will meet with the caller to verify the caller has the coin. The set is being awarded courtesy of the club and the ANA, which is based in Colorado Springs, Colo.

In addition, all those who find one of the coins and call him by April 21 - and can verify possessing a coin - will be entered in a national drawing for a First Spouse \$10 Gold Coin valued at more than \$400, Majoros said. The drawing for this prize takes place May 13 at ANA headquarters, he said. "We're the only coin club in New Jersey doing this," Majoros said, noting the county club is one of about 20 clubs in the state. There are no coin clubs in Monmouth County, he said.

Fifty-two clubs nationwide are taking part in the program, Majoros said, noting the non-profit ANA has more than 500 member clubs. For information on the Ocean County Coin Club, go to www.occoinclub.org.

FAKING IT

The following article, published in this morning's Globe and Mail, was forwarded to us by Tony Hine. I found it extremely interesting. I have found that after a few days, you can no longer access the whole article, unless you pay either by the article or for a period of time. We therefore publish it in full:

Counterfeit bills account for only a fraction of a per cent of the Canadian currency in circulation at any given time. The Bank of Canada estimates that in 2006 phony cash - everything from crude photocopies to highly sophisticated forgeries - was worth just \$6.7 million. Wesley Weber's work fell into the latter category. Back in 2000, Weber, a self-professed nerd from a small town near Windsor, Ontario, who started out forging car insurance slips in high school, began producing \$100 bills that even the Bank admits were excellent. Over the next year and a half, Weber and his accomplices flooded the Windsor-Toronto corridor with millions in fake currency, leading many businesses to simply stop accepting C-notes. (The Bank of Canada has since introduced a new series of notes with increased security.) He served 44 months in total for his crimes (including two parole violations). Now, at 32, Weber is a free man, and he's been born again - as a day trader. This is his story:

It was an ego thing. I was always looking for the recipe that would make me cool among my peers. I wanted the lifestyle: the girls, the booze, the money. Pretty soon it occurred to me: What if you could print money? It's just an engineered photo on a piece of paper. It's not dropped from the heavens. As a kid, the computer was my best buddy, and I'd tried making some 10s and 20s. But I thought it would be too difficult to do on a large scale.

One night, I threw a \$100 bill into a scanner and printed it out to see where the deficiencies lay. It took me five or six months to get a reasonable facsimile. But the paper wasn't right. Banknotes don't glow under UV light. I went to Toronto and told this paper shop that I ran a bar and needed paper that didn't glow under fluorescent lights. They brought out a brochure that

explained all the terminology of the pulp and paper industry. And they said, "You need archival-quality paper."

"To simulate the planchettes - those fluorescent polymer dots that were embedded in real banknotes - I bought \$5 worth of fluorescent paint at Loomis & Toles. Then I started looking into the optical security device, the colour-changing square of foil on the Birds of Canada series of notes. Back then, I didn't have the money to manufacture my own foil, but I found an art supplier in New York that sold the paint in acrylic form, so I made a stencil. I used a hot-stamping machine to put on the "100." Eventually I found a place called API Foils in New Jersey that could make the foil for us (I told them I ran a graphics company). To print the bills, we used \$700 Hewlett-Packard printers. We tried a \$50,000 copy machine, but it couldn't beat the colour ink-jets. They still can't.

After about three months, my friends convinced me the bills were perfect. They bought a carton of cigarettes at a convenience store on Wyandotte Street in Windsor and came back with the change. They bought stuff at Canadian Tire, Home Depot and Business Depot, then returned it. To launder the money, one buddy started wiring cash to himself at Money Mart. I didn't pass a bill for five months.

By September, 2000, I started seeing the bills taped to a lot of merchants' cash registers. A friend of mine at a bank got a letter from the RCMP describing the deficiencies in our notes. She gave me the letter and I fixed everything, but I was paranoid. So we started selling it to a Middle Eastern fellow in Windsor for 24 cents on the dollar. He funnelled it to other groups (by the end, he'd gotten us down to 12 cents). One time he invited me to his house and said, "We have a friend in the Iraqi embassy, and we want you to consider moving to one of Saddam's palaces. You could undermine the West by printing counterfeit. You'd be treated like a hero." He was dead serious. Another time, I taped half a million dollars to a guy who was flying to Iraq.

When we first started, it took 11 guys 13 hours to make \$100,000. By the time we got arrested 14 months later, at an A-frame cottage we'd rented in Lakeshore, near Windsor, we had four guys making 100 grand in three-and-a-half hours.

My lifestyle was perverted. I had a safe from Canadian Tire with \$300,000 of real money in it. I had money on top of the freezer, money in the freezer. One time a friend opened my fridge to get a Fudgesicle and \$100,000 fell onto the floor. I owned a '98 Ferrari Spider, SVT Cobra Mustang convertible, a Tahoe, a Jeep Grand Cherokee and a BMW 325. And my condo only had two parking spots. I had big screen TVs, leather couches, snowmobiles. I'd wake up on a Monday afternoon and take my Sea-Doo jet boat out on the Detroit River and jump waves behind thousand-foot freighters. I had no purpose. But when you're making \$8,000 to \$12,000 a day in clean money, it has a way of persuading you to keep going.

On July 11, 2001, we were sitting at the dining room table. There was no sound, just the monotonous drone of the printer. Then there was a BOOM. The big oak patio doors came off their hinges, and these cops came in with guns and yelled at us to get on the ground. I was resting my head on my co-accused's ass, and when I tried to move, somebody stomped on me and chipped my front teeth. The printers were still going. I could hear the carriages going gu-zz, gu-zz, gu-zz. The wind was coming in off the lake, and \$100 bills were flying around like leaves.

The RCMP had been watching us for months - they had a command centre set up next door. They'd broken into our place and hooked up audio and video surveillance equipment. Anyone

with half a brain would have figured it out, but I was cocky. I had all sorts of ideas of how to outsmart the RCMP. But you can't ever outsmart those guys.

I pleaded guilty and got five years and seven months in jail, though I only served 13 months because it was a white collar crime. For the first five months, I was at Millhaven, a maximum security institution west of Kingston. I saw guys get stabbed there. I learned three things in jail: Don't whistle, because it shows disrespect. Don't ask what anyone's in for. And don't call anyone a goof.

But I spent most of my sentence at Bath, a medium-security jail next door. It was like a campground. I lived in a house with a barbecue. I played tennis. I had a garden, growing corn and watermelons. That's where I met a gentleman who introduced me to the stock market. I didn't even know what an equity or a bond was. But I learned by watching CNBC. I started keeping track of all my hypothetical trades on a piece of foolscap. I built up a fictitious account of \$100,000 in a few months. That's when I decided to do it for real. I sent \$16,000 to a lawyer in Kingston; she hired a 19-year-old girl to sit on the phone all day and trade stocks for me. I paid her \$400 a week. I'd say, "Buy 1,000 shares." We'd make \$300 or \$400—and I was in jail!

I got out on July 6, 2006, after my second parole violation. I had been inside for 19 months, so I decided to treat myself, staying in the penthouse of the Mariner Terrace, with a hot tub on the balcony overlooking SkyDome. It cost me \$5,500 a month. I just wanted to do it for a couple of months, to breathe some life back into me. But it turned into six months. I live in Richmond Hill now, and I'm working at a Rogers store, selling phones. I'm still trading. I have about \$1.4 million in my account, mainly from investors. If I can't earn \$4,500 a week for myself, then I'm a clown. The only way a stock moves is from greed or fear. I've lived both, so I don't have those reactions. It's called functionally psychotic.

The cops say, "You're a mastermind." I say I'm a master moron. My lowest point was hearing my parents crying on the phone. I was playing tennis in jail, and my mother was worrying that I was getting stabbed. You know that show *My Name Is Earl*? It's my favourite. Karma is a big thing in my life. Everything I ever dished out has come back to me twofold.

LOST WALLET REVEALS YOUR HONESTY

If you find a wallet on the sidewalk with some money and ID, what would you do?

A test was conducted recently to determine how honest people would be and wanted to see how different groups would compare to each other. Each of the 100 wallets contained \$2.10 in real money, a fake \$50.00 gift certificate, some miscellaneous items and a clearly written ID card identifying the lost wallet's rightful owner.

Of all 100 people tested, 74% were honest and returned the wallets, while 26% were dishonest and kept the wallets. So, honest people outnumbered dishonest people nearly 3 to 1.

Of the 100 people tested, 51 were female and 49 were male. Of the 51 females tested, 86% (44) were honest and returned the wallets; 14% (7) were dishonest and kept the wallets. Of the 49 males tested, 61% (30) were honest and returned the wallets; 39% (19) were dishonest and kept the wallets. Summary: Males tested were over twice as dishonest as the females tested.

Of the 100 people tested, 34 were "young people" (appearing to be under 30 years of age); 42 were "middle-aged people" (appearing to be 30 and 49 years of age); and 24 were "old people" (appearing to be 50 years of age or older). Of the 34 "young people" tested, 56% (19) were

honest and returned the wallets, while 44% (15) were dishonest and kept the wallets. Of the 42 "middle-aged people" tested, 81% (34) were honest and returned the wallets, while 19% (8) were dishonest and kept the wallets. Of the 24 "old people" tested, 88% (21) were honest and returned the wallets, while 12% (3) were dishonest and kept the wallets.

Each wallet had an ID card inside its transparent window that could clearly be seen by anyone looking inside. It showed the name "Paul Kinsella" followed by his home address and phone number.

He also included two \$1 bills, ten pennies and one fake \$50 gift certificate. Each gift certificate was marked with a unique number and contained the following message: "This certificate can be exchanged for N.A.C.S. services or can be redeemed for cash by calling..." The number given was to a fake phone line he had added to his home. The idea was to trick dishonest people into calling and trying to redeem the fake gift certificates. Of the 100 wallets he dropped, 26 were stolen. Of those 26, there were only 3 instances of people trying to redeem the stolen gift certificates.

For the full story, go to www.wallettest.com.

CONCLUSION

People wonder how I find the time to gather and/or write all that appears in these C.N.A. E-Bulletins. Well, I take short cuts in other areas so that I don't waste any time. For example:

- After I buy a lottery ticket, I don't waste my time checking out the numbers. I just throw the tickets out because I figure it's going to be a loser anyway.
- Instead of buying a non-numismatic collectible and then winding up selling it at a loss anyway, I just walk up to a dealer at a collectibles show and give him \$20 to save time buying and selling and haggling.
- When I call my friends just to say hello, I do just that. When they answer, I say "hello" and then hang up.
- I don't bother getting dressed in the morning. I just stay in my pajamas all day, although there are some unusual glances at the grocery store.
- I use the Tim Hortons drive-through rather than lining up.
- Instead of getting out fresh underwear every morning...oh, never mind!

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

The Canadian Numismatic Association is a not for profit organization devoted to serving those who enjoy coin collecting/numismatics by promoting fellowship, communication, education and providing advocacy and leadership for the hobby.

If you have a comment to make, or would like to submit an item for publication, email:
cnanews@look.ca

To subscribe to the E-Bulletin email:
cnanews@look.ca

Back-issues of the C.N.A. E-Bulletin are available from the C.N.A. Website at
<http://www.canadian-numismatic.org/ebulletin.php>

If you have questions about our privacy policy, email:
privacyissues@canadiannumismatic.org

To learn about the benefits of membership or to join the C.N.A. visit our website at:
www.canadian-numismatic.org

For a complimentary copy of The CN Journal, email your name and mailing address to:
cnainfo@look.ca

Any submissions, comments or information sent to us will be shared with subscribers unless indicated otherwise. We reserve the right to edit submissions for publication.