



“My Two Cents’ Worth”

by Ed Reiter



THE \$10-MILLION COIN

Life imitated artifice in the coin market recently when a 1794 silver dollar—possibly the first silver dollar ever struck by the U.S. Mint—changed hands for just over \$10 million in a New York City auction. (Articles on the sale and on the coin appear elsewhere in this issue.)

That eight-figure price is far and away the highest sum ever paid for any single coin at public auction, and also the first of \$10 million or above.

The sale took place in January, at the very time eccentric economists were calling for the Obama Administration to produce a platinum coin with a face value of \$1 trillion and use this to reduce the national debt—on paper, at least—to ward off the fast-approaching federal debt ceiling.

There was, of course, one crucial difference between the two coins. The silver dollar was real, while the trillion-dollar platinum coin was merely a flight of fancy—if not of downright farce.

The \$10-million transaction provided dramatic evidence of just how strong the market is today for truly exceptional coins. Wary investors, frightened by the U.S. dollar’s downward spiral, have been seeking safer havens for their money, and many have decided that rare coins in pristine condition represent a more secure alternative.

The hobby didn’t get its first \$100,000 coin until 1972, when Abe Kosoff sold a 1913 Liberty Head nickel—formerly owned by Egypt’s King Farouk—for exactly that amount in a private transaction. Nearly a quarter-century passed after that before we finally saw the first \$1-million coin. That occurred in May 1996, when the finest known example of the same rare nickel brought nearly \$1.5 million at one of multiple sales featuring coins from the famous Eliasberg Collection.

Two different 1804 silver dollars raised the bar higher through the start of the new millennium, when it stood at \$4.14 million. Then, in July 2002, collectors witnessed the crowning of a new “king” when the Farouk specimen of the 1933 Saint-Gaudens double eagle—the only one not



subject to seizure by Uncle Sam—realized \$7.95 million at a New York auction. That monarch reigned for more than a decade before it was deposited in January by the 1794 dollar.

The new king is quirky in several ways. For one thing, recent owners’ claims that this was the very first U.S. silver dollar are far from universally accepted. Skeptics say a silver plug and edge adjustment marks cast doubt on these assertions.

It’s generally agreed that this is a very early strike, and no one disputes its unsurpassed quality: It carries a grade of Specimen-66 from PCGS, making it the finest of the few known survivors. But whether it was the first of the 1,758 silver dollars struck in 1794—or the second or fifth or tenth—is an open question in many experts’ minds.

Then there’s the matter of the “shock-and-awe” bidding by Laura Sperber of Legend Numismatics, whose firm emerged as the coin’s new owner. Sperber was the bidder of record at \$5.5 million when the auctioneer called for a raise to what normally would have been the next price point—\$6 million. But Sperber suddenly upped her bid to \$8.525 million—a jump of more than \$3 million.

With the addition of the 17½-percent buyer’s fee, the total cost came to just over \$10 million—\$10,016,875, to be precise.

The \$3-million jump clearly served its purpose of driving out any lingering competition. And it gave Legend bragging rights to owning the world’s first \$10-million coin. But was it appropriate for Sperber to bid against herself?

Circumstances were similar at Auction ‘89 in 1989 when an 1804 dollar brought \$990,000. The buyer, coin fund manager Hugh Sconyers, could have become the proud owner of the first million-dollar coin by raising his bid by just \$10,000. He didn’t, or couldn’t, and the seven-digit barrier remained intact for seven more years.

The new king of coins is certainly no pretender to the throne. And its \$10-million price tag may prove to be a bargain down the line. But it would be a shame if it ends up with an asterisk after its name. ☺