



NOTICE OF CHANGE IN MEETING DATE: OUR NEW MEETING DATE GOING FORWARD WILL BE THE THIRD MONDAY OF EACH MONTH.

In this issue of our newsletter, we have another great article from Jeff Garrett on the subject of The Mystery of No Grades. **Our next meeting will be held on Monday, April 21, 2014 at 6:30 PM in the Bronte Bistro at Joseph-Beth Booksellers in Lexington Green.** As a reminder, they have asked that we not bring in outside food or drink when attending the meetings. Instead, we are welcome to stop by the bar on the way into the meeting room to purchase soft drinks, coffee, or food items.

DOOR PRIZE TO BE GIVEN AWAY!

You won't want to miss this meeting! Jeff Garrett at Mid-American Rare Coin will be donating another door-prize item to be given away. Also, Jeff has a really nice deal for any club members who would like to become members of the American Numismatic Association. Jeff will pay half of the first year's basic membership dues for any club member who wants to become a new ANA member. Several of our club members have already taken Jeff up on this deal. The ANA offers members many outstanding benefits including discounted coin insurance, life insurance, library use, on-line delivery of The Numismatist Magazine, and a great convention each summer.

THE MYSTERY OF NO GRADES

By Jeff Garrett

Anyone who has submitted coins to NGC for grading knows that one of the most disappointing feelings is getting back what are commonly referred to as “no grades”, or coins that were not graded. In the past, any coin that did not meet the



standards for encapsulation was sent back to the submitter in a poly sleeve inserted in a plastic flip. Over the years, these became known as “body bags” in the trade. Receiving them was dreaded by anyone who had just paid good money to have the coin graded. Amateurs weren’t the only ones getting “body bags”. Many of the most experienced dealers also received coins back that were deemed as “no

grades”. Common causes for “no grades” were the result of cleaning, artificial toning, scratches, environmental damage and repair (or damage) to the submitted coins. These all seem to be reasonable causes for not holding a coin, but many of these issues are easily overlooked by submitters (amateurs *and* pros alike) which results in paying grading fees and receiving your coin(s) back in “body bags”.

Thankfully, several years ago, NGC began to hold coins that did not meet the minimum standards due to one, or more, of the problems mentioned above. “Problem” coins would now be *detail graded*, with the offending problem mentioned on the holder. This would allow expensive, or otherwise collectible, coins to be certified as *genuine* but graded for detail purposes. To be clear, this does not mean “net grading”. This term refers to a standard where all problems are taken into account resulting in a “net grade” for the coin. An example would be an 1844-D Half Eagle that has partial luster and enough details for a grade of AU50, but because of excessive bag marks, the coin has been net graded as Extremely Fine 45. Not all coins can be net graded, because the offending problem(s) could be relatively minor at first glance. An example might be a 1907 High Relief graded MS60 *because of light hairlines*, but at first glance might look like a cinch MS63.



Consumers could easily be confused by this thinking the coin was very under-graded. To resolve this, Mint State coins *with detail grading* are limited to the term “Uncirculated”. Details grading is best defined as the grade the coin would achieve without the problem that has been identified.

One of the most common questions I am asked about coins that have been detail graded is how to determine value. This can be very difficult because every coin is

different. The degree of cleaning or other impairments can vary from light to very harsh. In general, the value of a detail graded coin is usually set at least one grade lower but sometime two grades. The purpose of the detail grading is to have a coin in a holder so that it is guaranteed genuine and will still fit in with other certified coins in a collection. For many collectors, an impaired coin is often the only affordable way to purchase many of the “key” issues of a series. For the best advice on the value of these types of coins, you should consult a professional numismatist. Another suggestion is to compare actual auction records to photographs of similarly described impaired coins that have sold in recent years.

Not all coins are eligible for detail grading. NGC will not holder coins that have material applied to the surfaces. This includes coins that are deemed to have questionable toning, environmental damage or traces of PVC on the surfaces. Issues such as PVC and carbon spots can become worse over time. When sealed in an airtight holder, it could make the situation worse. These coins can sometimes be professionally conserved and later encapsulated. Artificial or questionable toning is an issue that is among the most perplexing for some submitters. Keep in mind that NGC makes every effort to ensure that coins they encapsulate are original and not the result of some coin doctor’s lab experiments. Remember, for every coin NGC grades, they risk their reputation and sometimes place hundreds of thousands of dollars on-the-line for a \$100 grading fee! If color, toning, or surfaces come into question, NGC has no choice but to err on the side of safety. This is for their protection and that of the many buyers who purchase NGC products in the future. Unfortunately, some coins that you know came from an original source will sometimes be sent back as “no grades”. For expensive coins, consultation with a conservation service, like the Numismatic Conservation Service (NCS) can bring clarity to the coin in question. Perhaps the offending surface issues can be removed and the coin be later certified.



Another big mystery for many submitters is the very common “Improperly Cleaned” designation. I’m not sure of the percentage of coins that receive this designation, but it is not insignificant. “Improperly Cleaned” does not mean a coin that was dipped in dirty Jewel Luster. NGC generally uses this term to describe mechanical cleaning issues. Mechanical cleaning usually means the presence of hair lines that are the results of harsh cleaning. Imagine the results of using a scouring pad on your 1881-S Morgan Dollar. Pencil erasers are also a very common tool of numismatic destruction. Coin conservation has

progressed light years in the last few decades. Many years ago coins needed to be bright and shiny for those new to the hobby. Dealers sometimes complied with these wishes by using very harsh cleaning methods. Just to be clear for those who might be wondering . . . Improperly Cleaned does not mean the coin can be certified after it has been conserved or cleaned properly. In many, if not most cases, the cleaning damage is permanent and irreversible.

The NGC web site has a tremendous amount of information on the subject of what coins they will holder and the possible results. Many of the terms mentioned above are explained in detail. For non-professionals it is always beneficial to have an expert review your coins before they are submitted to NGC for grading. This pre-screening process can save you the cost of grading fees and considerable frustration if it is obvious your coins will not be graded. Most dealers gladly offer this advice for little or no charge unless you intend to submit a very large number of coins. Over the years, I have saved customers thousands of dollars in grading fees who had no idea that many of the coins they wanted to submit would come back either uncertified or details graded. Again, the services of a competent numismatic mentor can be a collector's greatest asset. Hopefully, this tricky subject is now a bit clearer and the next time you get coins back from NGC you won't be as dismayed when you receive a few NO GRADES!!