

Early Sales, Private Bargains

Five centuries ago, collectors negotiated deals for numismatic collections, but what's the best way to buy today?

PERHAPS THE earliest coin dealer of record is Jacopo Strada (1515-88). He bought and sold entire coin collections intact by “private treaty.” There is no record of coin dealers selling one coin at a time, probably because no single coin commanded enough money or attention to warrant either the dealer’s or collector’s effort. I suspect there was such activity, but on a limited basis and between individual collectors rather than dealers or brokers. Numismatic information was not readily available at the time, so it is hard to conclude who knew what about which coins. This no doubt affected demand for contemporary “rarities.”

Greater proof of early numismatic activity is offered by a letter of inquiry regarding some specific Byzantine coins, written in 1695 by Jean Foy-Vaillant (1632-1706). He may have been asking on behalf of his patron, Louis XIV of France. Mayer Rothschild (1744-1812) was described in his own day as “a dealer in rare coins,” but no details as to what coins he sold or how he sold them have survived.

Mathew Young (1771-1837) may have been the first numismatic professional to hold himself out as a “coin dealer.” In his case, an invoice noting the sale of a single coin survives, from which we can conclude that Young sometimes



▲ The earliest sale of collectable coins likely dates to the 16th century.



The “private treaty” puzzle: what’s best for buyer and seller?

welcomed such transactions.

We also know that art dealers Bernard Berenson (1865-1959) and Joseph Duveen (1869-1939) introduced an entire generation of elite, wealthy Americans to collecting, primarily paintings by the Old Masters, and that they sold these works of art one at a time or in groups, which is the first evidence of American collectors buying individual items from dealers. Not surprising, coin collectors were among their famous clientele.

The first auction with coins was the Marnix Sale in 1599, although they were not individually described. In fact,

they were cataloged in Latin as “various numismatics,” and the entire collection was sold intact.

Today, why would anyone want to sell by private treaty rather than public auction? With private treaty, coins are shown to a few, serious buyers or perhaps only one; in an auction, coins are shown to anyone who has the desire to buy them. By offering coins to just a few buyers, the seller may miss some customers who are not aware they are for sale. On the other hand, because the coins are not passed around and viewed by a large audience, they retain their air of exclusivity.

In a private treaty, both the seller and the buyer remain anonymous to everyone but the go-between, usually a numismatic professional. The procedure is fast, discreet and often very accommodating. (For example, the seller might insist on cash only.) Private ©

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treaty also works well in cases where the buyer does not want the transaction broadcast to the public.

Private treaty often ensures the best buyer or price, especially if the agent is familiar with the needs and desires of both parties. The process generally works well for esoteric rarities, but pieces offered at public auction have been known to bring record prices. For instance, the last few sales featuring collections assembled by the late John Jay Ford Jr. realized unheard-of prices. Many items were sold to dealers, who since have resold them to collectors at even higher prices. All this really proves is that you shouldn't second-guess the value of any rarity up for auction.

Private treaty therefore is best suited for an item whose price easily can be identified by the seller and quoted to a willing buyer. That criteria encompasses a lot, perhaps 90 percent of the numismatic market, including all

commonly collected coins in average condition (but not those in uncommon condition). It might cover some rare coins in undesirable condition and most definitely any coins exhibiting damage, cleaning and the like. None of these would be candidates for public auction, but might be suitable for private-treaty sale to a collector.

A dealer recently paid a record-breaking price at public auction for a Brasher doubloon, famed for its rarity and desirability. Likewise, a collector of rare items (not necessarily coins) bid a phenomenal amount of money and won a 1933 double eagle. What can be concluded? The private treaty obviously is best-suited for the seller who has items that may or may not fare well at auction and wants the transaction to remain anonymous. For just about everything else, public auction is the way to go, at least for the seller.