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Book Reports

Northwest Philatelic Library, Inc.



NPL Essay

EXPERT OPINIONS

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At a January 2010 membership meeting, we put on a program entitled “Experiences with Stamp Expertization.” To be candid, we added the subtitle ‘Trials, Tribulations and Triumphs’ to reflect the hurdles of first submitting an item for expertization, the dismay upon receiving an unfavorable opinion, and the relief and enjoyment in a confirming judgment. As the audience at that meeting can attest, we tend to extend things a bit and seek expertization on items outside of the “norm,” principally because we each collect varieties, not all of which are major items or have high catalog values. It is our intent here, though, to broaden the scope of expert opinions to more fully present a range of options and actions available to collectors.

BENEFITS OF EXPERTIZATION

Expertization can tell you whether a stamp is genuine and unaltered; a rarity; a variety; a new discovery; or an error. The only way to know for sure that you really have a “good” item is to obtain a validating certificate. A certificate adds value to a collection; not only to the stamp in question, but potentially to the broader collection because of a prospective ‘halo effect’ emanating from the certificate.

In seeking a certificate, you will become a more knowledgeable and discerning collector. As we suggest later, a rigorous educational process should be undertaken to confirm that expertization is the next best step to take. That research process will, by its nature, improve your level of knowledge, awareness and confidence, and likely infuse you with gaining an improved technical ability to assess other items in your collection. Also, as we demonstrate later, even an adverse certificate can be a good learning experience.

STAMPS SUBJECT TO EXPERTIZATION

Expertization typically arises at the time of a stamp purchase, but is also be relevant to items already acquired and in a collection. The best known stamps subject to expertization are the “classics” and noted rarities; but, other stamps are legitimate candidates for expertization, notably when the stamp represents a new discovery, including a production variety, an error, a freak, or a forgery.

We no longer purchase items from the “classic era” without an accompanying certificate or at least the option from the seller of obtaining a certificate, simply because the price is usually significant and the stamp is too important to leave exposed to subsequent identification as a fake or philatelically defective item.¹ Certificates are a form of insurance at the time of purchase

As a rule, a reputable auction house will grant a certificate ‘extension’ to the winning bid. The details of this process are included in the *Terms and Conditions* of the auction. All lots are sold as genuine, unless marked ‘not returnable.’ Therefore, if an adverse expert opinion is rendered, the auction house is responsible for the cost of expertization [up to a specified limit] plus a full refund of the buyer’s purchase price [which was tendered at the time of auction].

Dealers, on the other hand, do not routinely offer a certificate extension on a purchase. There is nothing that inherently prevents a dealer from offering an extension [and some do to their better customers], but it tends to interfere with the normal course of a dealer’s trade and cash flow. Some dealers may offer a significant price concession or other deal sweeteners. This is where it gets dicey for the collector. Most of us are familiar with the adage - if the stamp or the deal looks too good to be true, it usually is. If you are not satisfied with the situation, consider passing on it.

Many years ago, Steve purchased from a mail dealer an advertised VFMNH copy of Scott E4, the 10-cent U.S. special delivery stamp issued in 1894. There was no accompanying certificate and the advertised price was unusually low relative to catalog value. After holding the stamp for several years and becoming better educated about gums in the interim, he grew suspicious that the stamp’s gum might be “too pristine” for its age and submitted the E4 for expertization. Yes, the stamp was regummed.² With this experience firmly in mind, Steve recently won a gorgeous mint never-hinged copy of Scott E1 at public auction. There was no accompanying certificate, however, and the estimated price was again low relative to catalog value. Steve, however, took the precaution, based on his assessment of the stamp during the auction viewing, to reserve the right to submit the item for expertization, where it was determined that the stamp had been regummed, reperfored, and repaired. Steve’s purchase price and the cost of the certificate were refunded by the auction house.

Expertizing a new discovery is another matter. Despite the oft-held belief to the contrary, new discoveries do not necessarily involve or lead to high catalog values, although it has happened. They do, however, broaden the range of collectible stamps and add a new dimension to collector interest. Many of our certificates fall into this category and were sought, not for monetary enrichment, but to independently confirm the existence of a new discovery and thereby raising the standards of our collections.

We restate some buying rules that we wrote in these pages earlier:³ If you see an otherwise valuable stamp with gum that looks too perfect, too new for its age, or dissimilar in color and texture to others in the same stamp series, it may well have been regummed. A valuable

¹ See our discussion of ‘stamp restoration’ in “Skullduggery in Regummed Stamps, Parts I & II” *Book Reports* [September & October, 2009].

² With the emerging market for regummed stamps, Steve is reconciled to adage that you get what you pay for.

³ “Skullduggery in Regummed Stamps, Part II” *Book Reports* [October, 2009].

purported “never-hinged” stamp offered for sale at price deeply discounted from the never-hinged or even unused catalog value should raise a red flag. A stamp being advertised as a never-hinged “classic” should routinely come with a confirming certificate. At bourses, does the stamp being offered as a never-hinged gem “fit” in with the quality of the rest of sale stock? If not, ask for that stamp’s provenance. If you are not satisfied, ask for a certificate extension, or, if that fails, pass on the deal. Lastly, the nature and scope of the selling venue may positively correlate to the availability of authentic never-hinged valuable stamps.

BEFORE SEEKING EXPERTIZATION

It is not uncommon for a collector to be reluctant to submit that “special” stamp for expertization. There tend to be both psychological and financial considerations in play here. No one wants to be exposed as a poseur, and that is often a real possibility. In our experience, some collectors are simply content to talk about their ‘gem’ rather than to put their money on it. People deal with uncertainty in different ways, and submitting an item for expertizing involves uncertainty. Those who tend to be risk averse are reluctant to accept an uncertain, but more valuable outcome opposed to a more certain, but less valuable outcome. Then, some collectors are more cautious, preferring perhaps to minimize risk to avoid the anticipated regret from an adverse opinion. Keep in mind here that reward and regret are intrinsic as well as financial in nature and scope.

Can you reduce the uncertainty involved in expertizing? Is expertizing the next best step in evaluating an item? Education and research are decisive factors here. We will only submit an item for expertizing when we have exhausted all other avenues of discovery and evaluation. Be knowledgeable about your stamps. Talk to smarter people; don’t be afraid to ask experienced and knowledgeable people for an opinion. We do this often, and often get useful insights. It is not always a straightforward matter to personally expertize stamps. Difficulties abound with things like paper, color, gum, and perforations. Stamp doctors are unusually diligent in finding newer ways to fool the eye and the experts.

Make reference to the literature. It is not necessary to personally subscribe to journals or purchase expensive reference books. The NPL Collection contains a wealth of resources that can be used to reach informed judgments about your item. Specialized knowledge emerges from detailed research findings published in the philatelic literature. Stamp identification techniques; stamp production methods; fakes, forgeries, and repaired stamps; stamp paper and color, and the like are all addressed in the Collection. There is a pragmatic reason for engaging the philatelic literature – you can be a more judicious collector. You will better know when it “makes good sense” to seek outside expertizing.

To underscore the point mentioned earlier of learning from an adverse expert opinion, consider the following case. Steve submitted what we thought was a color variety of Scott 1290, the 25-cent Douglass from the Great Americans series. We both owned several different-numbered plate blocks printed in this color and were reasonably confident that it represented a color change. The expert opinion, however, was adverse, stating that the color of the submitted item was within the range of the original color of the stamp. We thought differently and pressed ahead. Based on earlier research prior to submitting the item for expertization, we requested documentation from the Bureau of Engraving and Printing

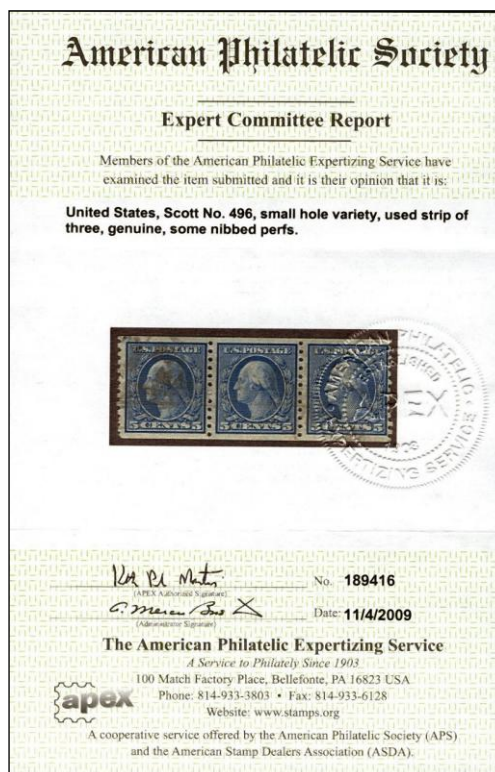
related to the ink formulation for the 25-cent Douglass stamp. This led to the discovery of internal Bureau correspondence confirming that the ink for the Douglass stamp was reformulated in 1980 to conform to EPA requirements and that the new ink could not be assured of being the same color as the original color. Knowing the date of the ink reformulation, and having reviewed the entire printing history of the stamp by plate number, we are trying to accumulate sufficient plate blocks to test the proposition that reformulating the ink led to a valid color variety. If confirmed by the analysis, we will submit our findings to the Scott catalog editors.

THE NEXT BEST STEP

If, after suitable education, you are sufficiently certain that your item is legitimate or it is not, you will probably pass on a certificate. Or, if you consider it a legitimate item, you may simply want the tangible proof afforded by a certificate. In more complex cases, where some uncertainty still exists, it becomes a matter of doing a rational cost-benefit analysis of seeking a certificate, i.e., making a truly informed choice.

In statistical terms, a decision to submit the item may result in a correct decision or an error. Likewise, a decision not to submit the item may be a correct decision or it may be an error. The potential benefits from being correct in the two decisions will not necessarily be the same; neither will the potential costs of being wrong for those decisions.

Let's say that you are still truly unsure about your item, but you decide to submit the item for expertization. If a good opinion results, you will have been proven correct in submitting the item. If an adverse opinion results, you will have made a decision error in choosing to submit the item. On the other hand, if you choose to not submit the item, you run the risk of a decision error, i.e., missing a confirming opinion, but you also reap a benefit, i.e., you avoid receiving an adverse opinion.



A cost-benefit analysis will help sort these things out. From a risk management standpoint, how much risk can you accept? What kind and how much psychic cost might you experience from an adverse opinion? Will that be sufficiently offset in your decision framework by receiving a good opinion? The benefits from making a correct decision usually involve prestige, both personally and with your cohort group. Your collection benefits as well. The costs of making a wrong choice, on the other hand, may involve a loss of confidence in both ability and reputation. The financial impact of a good or bad decision tends to fade in significance over time, but the psychic effects could have longer-term effects. The point here is that you should identify your personal outcomes from both a good and bad decision. Keep

in mind, though, that your own assessment of the item in question, i.e., how much uncertainty you have about whether it is what it purports to be, should have an inverse impact on this analysis.

Despite normally positive results, we have each received at least one adverse opinion on a submission. To be sure, that result was personally disappointing, but neither of us saw it as a philatelic black mark or a reason to pull back to lick our wounds. Instead, it reinforced the notion that we had not done enough work up front to be able to make a better choice. In effect, a negative opinion served as important a function as we go forward.

SUBMITTING AN ITEM FOR EXPERTIZATION

Three major U.S. organizations provide universally-recognized certificates: Philatelic Foundation [PF], American Philatelic Society [APEX], and Professional Stamp Experts [PSE]. Regular submission fees are based on a percentage of catalog value up to a stated maximum. Minimum fees are: PF - \$40, APEX [for APS members] - \$25, and PSE - \$27. The time wait for a certificate varies due to work load and complexity, but an opinion will usually be rendered within 9 weeks.⁴

For other countries, the list of experts is extensive. In Canada, the Vincent Graves Green Philatelic Research Foundation; Great Britain, Royal Philatelic Society and the British Philatelic Expertizing Service; in Western Europe, the BPP; for Worldwide, the International Association of Philatelic Experts [AIEP].⁵ There are other independent experts who invite submissions from collectors. All providers have websites that can be consulted for services available, submissions requirements and forms, and “tips” to get the submission right.

When submitting an item to be expertized, be sure to explain your position and defend it. Attach a letter if necessary – we’ve done that. Experts tend to treat these carefully and with due consideration.

Take the first step.

2010 ELECTION RESULTS

At the May 25 NPL membership meeting, the following individuals were elected to two-year terms: *Orlie Trier*, Secretary; *Grant Williams*, Director; and *Greg Alexander*, Director. Also, the amendments to the NPL *Constitution* and *Bylaws* that were proposed in the March issue of *Book Reports* were passed by the membership.

⁴ PSE offers an “expedited” service at an additional cost.

⁵ BPP and AIEP are composed of named individual members who perform expert services, usually by specific country.

2010 FY FINANCIAL STATEMENTS

The Balance Sheet as of May 31, 2010 and Income Statement for the year ended May 31, 2010 for Northwest Philatelic Library, Inc. are available for public inspection in the Library. NPL also files IRS Form 990, Return of Organization Exempt from Income Tax. The Balance Sheet and Income Statement are consistent with the requirements of Form 990. The financial statements were subject to a review by the Audit Committee appointed by the NPL Executive Board. The Committee's report on the results of the review and examination is also available for inspection.

TOM CURRENT LIBRARY DONATION

Tom Current, a founder of NPL and a continuing good friend, has been regularly donating his philatelic library to NPL. We just received Tom's latest, and probably last, major distribution from his library; in this case over 50 titles. To no one's surprise, the principal theme is Great Britain, a specialty collection within NPL. Included in the donation are: photocopies of eight award-winning Great Britain exhibits mounted by Tom; the eight *Billig's Philatelic Handbooks* that pertain to the Commonwealth [allowing us to finally shelve a full set of those *Handbooks* in the GEN section]. A notable item in the donation is a slick empirical study done by Tom on the King Edward VII color shades using the actual stamps. A full listing of the titles will be given as part of the Literature Acquisitions announcement in the August issue.

Northwest Philatelic Library, Inc.

President - *Charles Neyhart*, Secretary – *Orlie Trier*, Treasurer - *Wayne Holmes*, Directors: *Darlene Lengacher*, *Janice Weinstock*, *Grant Williams* and *Greg Alexander*. Director of Sales – *Larry Spray*. Secretary Emeritus - *Tom Current*.

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