## Glut of Grade-Inflated MS-65 Coins Devalues "CC" Morgan Dollar Series By Rusty Goe #CLM-0001

In the midst of a raging bull market in practically all categories of "CC" coins, there is one segment of this wildly popular series that is mired in a state of stagnancy. It seems criminal in the sight of God and the field of numismatics, to think that Morgan dollars, the coins that put the "CC" mintmark on radar screens across the nation during the GSA sales in the 1970s, would not be experiencing the robust price appreciation that we see in every other category of the Carson City market. But alas, a careful perusal of price trends over the past twenty years reveals the startling facts.

For the purpose of simplification, we will focus our attention on one of the most desirable condition ratings for Morgan silver dollars, the MS-65 grade. There was a time, in the pre-grade-inflation era, when the certification of any Morgan dollar, and certainly "CCs", at the MS-65 level carried significant weight. The population and census reports from PCGS and NGC from fifteen to twenty years ago supported this perception that "CC" Morgan dollars graded MS-65 were special. The grading services were in their infancy, of course; so it makes sense that populations, not only for "CC" dollars in MS-65, but for all coins, would have been lower than they are today. But what kind of growth rates, in terms of populations, could hobbyists have expected in subsequent years? Though there is no scientific formula to predict the ultimate number of MS-65 specimens of any date from the Morgan dollar series, we can make "best-guess" estimates for the "CC" issues based on, but not limited to, the following factors:

- Original mintages
- GSA Hoard populations
- Traditional survival estimates
- Ratios from other dates in the series

Applying these factors, combined with commonsense judgment, it might be safe to deduce that for most of the dates in the "CC" Morgan dollar series, approximately one to two percent of either the original mintages or the GSA Hoard quantities, will ultimately qualify as an MS-65 at one of the major grading services. In the case of the four rarest dates, 1879-CC, 1889-CC, 1892-CC and 1893-CC, modifications to estimations must obviously be made. As for seven of the other dates, if we use GSA quantities, our estimates for populations in MS-65 look something like this (using a ratio of 1%):

—	610
	1,315
	1,475
	6,050
_	7,555
_	9,626
_	1,483

For two of the other GSA dates, 1890-CC and 1891-CC, we need to use a more intricate algorithm to compute our estimates, since it is well known that bagfuls of each date were released independent of those held in the GSA Hoard.

With this in mind, we might arrive at the following estimates for 1890-CC and 1891-CC dollars in MS-65:

1890-CC	_	450
1891-CC		600

These figures are computed by using survival estimates for Uncirculated examples of 30,000 for 1890-CCs and 40,000 for 1891-CCs, with an MS-65 ratio of one-and-a-half percent.

As for the 1879-CC, 1889-CC, 1892-CC and 1893-CC dollars, the MS-65 estimates are as follows:

1879-CC-2% of 6,000 UNC population-120 1889-CC-0.2% of 5,000 UNC population-10 1892-CC-1.5% of 25,000 UNC population-375 1893-CC-0.1% of 15,000 UNC population-15

Please keep in mind that until every surviving "CC" silver dollar is graded and accounted for, we will never be able to unequivocally substantiate these estimates. But at least they give us something to work with, and in light of the accumulated data compiled by members of the numismatic community over a period extending for decades, our estimates are probably within reason.

Regardless of what our estimations reveal, our primary concern is one of accurate grading. In other words, it doesn't matter how many examples of any one date we estimate to exist in MS-65, we want assurance that the coins certified in that grade are the real deal. Though the science of coin grading is subjective in nature, guidelines were established, primarily by PCGS and NGC, more than twenty years ago, which in the beginning met with practically universal approval by the fraternity of professional dealers. Such was the confidence dealers had in these two services' standards that sight-unseen trading exchanges emerged, on which bids were placed for coins certified by PCGS and NGC, based solely on the grade stamped on the holder in lieu of actually seeing the coin. Wall Street even showed interest, prematurely believing that sight-unseen coins could trade on exchanges similar to those used for stocks.

Skeptics abounded, of course, but all in all, the consistency and

accuracy displayed by the grading services inspired confidence. Sure, there were mistakes, but in hindsight, the grading services probably batted .900 or better, which in human terms, is exemplary.

The "CC" Morgan dollars graded MS-65 in those days were by and large very special coins. If the dollar was untoned, it would appear almost as white as snow, with no more than a handful of small, scattered contact marks on either side, never concentrated in the focal areas. The luster would be luminous and the strike would be razor sharp. If the MS-65 coin displayed toning, the colors accentuated its surfaces, generally in light shades of blues, greens, reds, yellows, and maroons. The underlying luster on these toned MS-65 dollars radiated through the top layer of colors; and all of the other technical aspects-bold detail, minimal contact marks, etc.-conformed to the strict guidelines. If you were offered an MS-65 "CC" Morgan dollar by your trusted dealer, you could in all probability take your expectations to the bank. If it happened to be an MS-66 coin, or miraculously one graded MS-67, everything aforementioned could be multiplied exponentially. Dealers submitted their high-end Uncirculated silver dollars hoping and expecting to receive MS-65 grades. A grade of MS-66 or even MS-67 would be greatly appreciated, but for the majority of what were referred to as Gem quality dollars, MS-65 would suffice.

Hold that pose, freeze that frame right there, back in those grassroots days, when grading services beamed a light unto the world. It all seemed so good, and so long as the third-party graders refused to waver in adherence to their established guidelines, the future looked bright.

But unfortunately, after an extended honeymoon period, a perceived loosening of standards began eroding the confidence that dealers and collectors had in the grading services (Please note that, although there are numerous grading services in business, we are only referring to PCGS and NGC, as they are the undisputed leaders in the hobby). It is not within the scope of this article to speculate as to why this regression occurred, but suffice it to say that, unless a person is oblivious to what has transpired over the past twenty years, it is obvious that grading standards have loosened, at least to some degree, and involve at least a portion of the coins which have been submitted.

Morgan silver dollars, probably because they are submitted in greater quantities than most coins, have been affected most significantly by this so-called "gradeflation." As a result, the market for these cartwheels has struggled through a disheartening period of disinflation during the past seventeen years. Nowhere is this more evident than in the Carson City series. As you will see, listed prices for "CC" dollars in the once-prized grade of MS-65 have been, with only a few exceptions, flat across the board for many years. And, just for the record, these sluggish market conditions are not restricted to coins graded MS-65; for the rippling effect caused by looser standards filters over into all levels of the Mint State category.

So what exactly do we mean when we say that grading standards are looser now than they were, say fifteen to twenty years ago? There has been considerable discussion and dissension among conflicting parties as to whether gradeflation is real or imagined. The term gradeflation has been in the numismatic lexicon for at least twenty years, ironically dating back to the advent of the two major third party grading services, whose objective it was to rescue the hobby from the insidious practice of overgrading coins. It derives from the two words, "grade," meaning the condition rating of a coin, and "inflation," meaning an undue increase, or an abnormal rise. In the context of numismatics, gradeflation can be defined as "an unwarranted increase in the condition rating of a coin." In simple terms, gradeflation equals overgrading. The result of course is that the buyer does not receive a coin equal in quality to the numeric grade printed on the label. This is tantamount to, though obviously unrelated to purchasing a pound of sugar containing less than sixteen ounces, or a yard of fabric measuring less than thirty-six inches.



High-end MS-65 graded 1883-CC Morgan silver dollar, certified by NGC...

Since prudent buyers balk at the thought of receiving less of something than the label suggests, the practice of offering sub-value products generally results in a market correction until prices are adjusted to the point at which equilibrium is achieved. Only in the case of extreme economic inflation will prices rise even as the quality, the size, or the standards diminish. In reference to coins, looser grading standards, or gradeflation if you will, results in deflationary prices relative to the grades on the certificates. In instances such as these, there is simply too much grade printed on the label than buyers are willing to accept at the published prices for coins in that grade.

While this might not be as apparent to newcomers to the hobby, who are not familiar with what the "old" MS-65s looked like in comparison to the "new" MS-65s, anyone who has been around for



Low end of the range MS-65 1883-CC Morgan dollar, certified by NGC. Notice the large scratches on the cheek, jaw and above the cap.

twenty years or longer knows the difference. And, even a newcomer, when presented with a gradeinflated MS-65 silver dollar placed next to an example conforming to the old standards, should easily be able to determine the better coin. Probably one of the more identifiable characteristics of these loosely graded MS-65 dollars is the abundance of contact marks in comparison to the examples adhering to stricter standards. The term that readily comes to mind upon reflecting what a "CC" Morgan dollar graded MS-65 should look like, is "eye appeal." This is what dealers and collectors expected back in the "good old days" of coin grading. These dollars possessing the alluring eye appeal that everyone craves still exist, they are just more difficult to locate. And, when you do find one, be prepared to pay hefty premiums over the prices listed in the guides. You'll see this occurring all the time at auctions, where two silver dollars, with the same date and the same grade, sell for prices miles apart.

Aberrational occurrences such as these provide a telltale sign of the crippling effect gradeflation has had on "CC" Morgan dollars graded

MS-65. To put it all in perspective, it would be beneficial at this point to provide a twenty-year price history of "CC" silver dollars graded MS-65. The prices listed in the following table have been extracted from the *Greysheet*, also referred to as the *Coin Dealer Newsletter*. All dates listed are exclusive of varieties in the series, and values are for non-PL and non-DMPL examples only.

Date	1987	1997	2001	2007	Avg Annual Return Rate
1878-CC	\$1,150	\$ 700	\$ 910	\$ 1,125	<0.1%>
1879-CC	9,500	11,000	13,800	21,500	4.2%
1880-CC	1,125	400	600	1,100	<0.1%>
1881-CC	1,050	295	450	740	<1.7%>
1882-CC	800	185	280	370	<3.8%>
1883-CC	800	150	230	315	<4.6%>
1884-CC	800	145	215	310	<4.6%>
1885-CC	1,050	360	550	900	<0.77%>
1889-CC	27,500	110,000	210,000	275,000	12.2%
1890-CC	2,750	3,700	4,500	5,000	3%
1891-CC	2,400	1,850	2,270	3,400	1.7%
1892-CC	2,800	3,800	4,920	7,300	4.9%
1893-CC	7,900	29,500	35,000	57,500	10.43%

## Price History for MS-65 "CC" Morgan Silver Dollars, 1987-2007

In the absence of further information, it seems unfathomable that seven of thirteen dates in this series show negative annual rates of return over the past twenty years, and that outside of the top two performers, the highest annual rate of return is only 4.9 percent. As for the date with the highest annual rate of return, the 1889-CC, the figures are skewed, because twenty years ago there was not one example graded MS-65, and even if there had been, no one would have known its true value anyway. The pundits of pricing did not ascertain what an 1889-CC silver dollar in MS-65 was worth until after 1997, by which time the only example in this grade certified by PCGS had already sold for more than \$300,000 (the 1997 bid of \$110,000 was obviously off mark). It appears as if the 1893-CC silver dollar realized the most consistent and the healthiest annual rate of return, a legitimate investment performer if ever there was one.

These statistics of the overall weakness in the "CC" Morgan dollar series are probably quite startling to many Carson City coin enthusiasts. And, rightly so. With significant price gains across the board in the other six categories of "CC" silver coins, as well as the three gold denominations, it is easy for one to assume that this would also be the case in the Morgan dollar series. Yet, it just ain't so.

But by all right it should be, and in all likelihood it would be, if not for one invasive virus that has infected the field of coin collecting in recent years. The nocuous practice of gradeflation, which has gradually permeated the coin market, continues to constrain price appreciation in the "CC" Morgan dollar series. The evolution of gradeflation is analogous to the parable of the frog in the kettle. Illustrating how people at times aren't aware of slowly changing trends until it's too late, the "frog" story parallels the way the cooler waters we basked in when we experienced the security of trusted grading services, have begun to boil atop the smoldering fires of gradeflation. Just as the kettle of water the frog was placed in did not begin to immediately boil, gradeflation did not overtake the hobby overnight. There were signs along the way, but early-on these instances of overgrading were excusable. After all, the graders are only human, right? And, we know that none of us humans are perfect, don't we? As long as the third-party graders operated at a commendable rate of accuracy, say .900, hobbyists—at least most of us—could live with it. If we disagreed with one out of ten coins the graders got wrong we could simply resubmit it; no big deal, just a little extra expense.

Somehow, though, we wound up with what appears to be a whole lot more overgraded MS-65 "CC" Morgan dollars than expected. The grading pot has been boiling over for a number of years now, spewing forth a higher percentage of mistakes than the ten percent we had grown accustomed to. The proof is not only in the poor examples of MS-65 "CC" Morgan dollars we have seen over the past few years, it is also in the population figures. Granted, it could be simply coincidental that populations of MS-65 "CC" dollars have increased so substantially over the past ten years; and this would be perfectly acceptable, if so many of them didn't look so overgraded. Earlier, you learned that survival estimates for "CC" Morgan dollars in MS-65, ranged between one tenth of a percent to two percent of the number of Uncirculated examples of each date extant. Historically, these percentages seem reasonable, but of course, they could be higher, and, there's always the possibility that quantities of Uncirculated specimens are greater than estimated. Still, even if the allowance for surviving MS-65 examples is increased, if those coins are released onto the market, they must meet the standards qualifying them for this grade. Which is exactly the point of this article: too many of these coins do not meet the standards, yet are still being graded MS-65.

The following table is alarmingly revealing as it provides a panoramic perspective of the profusion of MS-65 "CC" Morgan dollars graded by PCGS and NGC during the past ten years. I purposely used

1997 as a starting point because this provides a ten-year history, not to mention, there really was no need to begin earlier, since there obviously would have been significant increases in populations for the first ten years the grading services were in existence. After all, starting at zero makes any increases seem large. Once again, all of the dates listed are exclusive of the varieties in the "CC" Morgan dollar series, and values are for non-PL and non-DMPL coins only. Population and census figures from both PCGS and NGC have been combined into one figure. I used 2001 as an in-between year to add further perspective.

Population Increases in MS-65 "CC" Morgan Dollars
Graded by PCGS and NGC, 1997—2007

Date	1997	2001	2007	Avg Annual Growth Rate
1878-CC	869	1,322	2,354	10.48%
1879-CC	29	64	119	15.10%
1880-CC	1,211	1,779	3,315	10.60%
1881-CC	2,673	3,728	5,943	8.30%
1882-CC	2,608	4,091	7,109	10.55%
1883-CC	4,497	6,786	11,237	9.60%
1884-CC	4,157	6,324	10,980	10.20%
1885-CC	2,085	3,019	5,269	9.70%
1889-CC	3	4	5	5.24%
1890-CC	111	159	260	8.90%
1891-CC	218	316	538	9.50%
1892-CC	157	227	393	9.90%
1893-CC	6	9	14	8.84%

If we use the ratios previously mentioned, which provide estimates of MS-65 specimens relative to surviving populations of Uncirculated "CC" Morgan dollars, we are already at our maximum limits, and in some instances, have significantly exceeded them. And, what if the increases continue over the next ten years at the same annual growth rates experienced during the previous ten years? To provide the answer, I have prepared the following table:

## Estimated Populations of MS-65 "CC" Morgan Dollars Graded by PCGS and NGC in the Year 2017 Based on Annual Growth Rates Between 1997 and 2007

1878-CC		6,378
1879-CC		486
1880-CC		9,080
1881-CC		13,192
1882-CC		19,382
1883-CC		28,103
1884-CC		29,000
1885-CC		13,300
1889-CC		8
1890-CC		610
1891-CC		1,333
1892-CC	—	1,010
1893-CC		33

Clearly, it should be noted that, by and large, these quantities will probably not be achieved. In the first place, if these projected totals were achieved, the historical percentage ratios for MS-65 examples versus surviving Mint State populations of Morgan silver dollars, would be extremely imbalanced. Second, it seems reasonable to assume that the flow of "CC" dollars submitted to the grading services will peak at some point due to exhausted holdings by dealers, collectors and whoever. After all, there isn't an infinite supply of these coins. But, what if the growth trend does continue, what will the majority of the additional MS-65 "CC" dollars look like? It's scary to contemplate, isn't it?

Though much of the content in this article might seem negative, especially to collectors of "CC" Morgan dollars, one must be careful not to throw the proverbial baby out with the bathwater. Gradeflation does not pertain to all coins, not even a small majority of them. There are still significant quantities of the highly populated dates in the "CC" Morgan dollar series that are accurately graded. As for the scarcer dates, the availability of accurately graded MS-65s definitely poses a serious challenge, requiring a little more patience. Fortunately, for the discriminating collector there is a relatively high ratio of accurately graded MS-65s in most of the key dates; proportionate to the low populations, of course.

Aside from the patience required in pursuing accurately graded "CC" dollars certified as MS-65s in this era of gradeflation, collectors must also be prepared to pay premiums—sometimes very large premiums—when opportunities arise. A quick perusal of auction prices realized validates this last statement. Consider the 1878-CC dollar for instance. Wholesale bid listings suggest a range of \$980 to \$1,250 for an example in MS-65. Retail guides suggest a price range between \$1,720 and \$2,500. Auction prices from the past eighteen months range between \$870 and \$2,530, with a noticeable declension in prices in recent months as populations have swelled. The question is, who got the better deal, the purchaser of the \$870

coin, or the one who paid \$2,530? Since this would be impossible to determine without viewing both coins side by side, we can only speculate. Yet, commonsense implies that in such a competitive arena as a national auction, with hundreds of bidders viewing the coins, the less expensive example was inferior in eye appeal to its more costly counterpart. It is probably a safe assumption that the \$870 coin more closely resembled an MS-64 piece, valued at approximately \$500 to \$600; and the \$2,530 specimen might have been a borderline MS-66, valued between \$4,500 and \$5,500. If true, the buyer of the \$2,530 coin clearly received the better deal. And, even if that coin never upgrades to MS-66, it is undoubtedly a piece anyone would be proud to own.

The lesson here is that, you can go bargain-hunting through the dumpsite of overgraded MS-65 "CC" dollars, but even if you find one that tempts you, don't be surprised if it doesn't elicit positive responses from other collectors to whom you show it. None of what has been stated in this article infers that collectors should only buy high-end MS-65 examples. This is simply the grade we are focusing on at present. But in the context of the theme of this article, you should be aware that gradeflation affects all condition ratings, and that you should be selective at whichever level suits your budget.

And, although this article focuses on Morgan dollars, the problem of overgrading is detrimental to all of the other coins in the various Carson City categories, as it is to every area of U.S. coinage. Having stated this, it is worth noting that gradeflation has not had the same deflationary impact on the other nine series of "CC" coinage. Prices, as mentioned earlier, have soared practically across the board in each of those categories, at practically every grade level.

You must keep in mind that the aggregate estimated survival population for all "CC" coins, exclusive of Morgan dollars, in all

grades is 300,000. In comparison, there are an estimated 3.2 million Uncirculated "CC" Morgan dollars. In other words, there are more than ten times as many Mint State "CC" Morgan dollars extant than there are all of the "CC" dimes, twenty-centers, quarters, halves, Seated dollars, Trade dollars, half eagles, eagles, and double eagles combined. This disparity is a prime reason why, in this era of gradeflation, values of most "CC" issues in the non-Morgan dollar categories continue to rise, while at the same time the "CC" Morgans for the most part remain static. When 1874-CC dimes graded F-12 and 1870-CC quarters in AG-3 are selling for \$25,000 and \$8,000, respectively, and collectors are gobbling up "CC" gold that has been cleaned, brushed and chemically enhanced, it is little wonder why the "CC" silver and gold type issues are virtually immune to the gradeflation epidemic. And, what are you going to do about a coin like the 1873-CC Without Arrows dime, of which there is only one known survivor? If gradeflation bumps it from an MS-64 to an MS-65, is anyone bold enough to say it's been devalued due to overgrading?

From time to time, you will observe price resistance on certain "CC" type coins because they are hideously overgraded. But, unlike the market for "CC" Morgan dollars, in which prices are slashed or seemingly never move off their long-term levels, the "CC" silver type and gold coin market continues to register plus signs in the various price guides, in spite of overgraded examples entering the market.

The tragic recent developments triggered by gradeflation are hampering the "CC" Morgan dollar market from experiencing the price gains it deserves. Values published in the various guides are influenced by bids posted by dealers on electronic trading exchanges. No dealer wants to post higher bids at the risk of receiving "old maid" coins with which no one wants to get stuck. As a result, defensive bids are posted, reflecting a lack of confidence in the grading services. These low bids translate into declining values in the price guides, giving the perception that the market for the issues in question is weak, or at the very best, neutral. In reality, a twotiered market exists, the one reflective of defensive dealer bids and the other indicative of what accurately graded coins are really worth. The former market operates as a depository for the ugly coins that never seem to find a permanent home, except that is, in the hands of the unfortunate customers of telemarketers or home shopping networks. The latter market includes private treaty sales between dealers filling want lists and their savvy clients, as well as selected auction sales. While the information from this latter category is often available to the publishers of price guides, unfortunately, it generally is only the trades generated in the former market that influences values listed in those guides.

So, what would happen if the values posted in the guides were based on the sales of accurately graded MS-65 "CC" Morgan dollars? First, we would see plus signs across the board reflecting significant price increases. Second, owners of overgraded examples would rush to dealers or auction companies in an attempt to unload their "old maid" coins at the higher prices, only to walk away dejected because there were no takers, unless deep discounts were offered.

For now, MS-65 "CC" Morgans are stuck in a rut. Gradeflation has undermined this market, as it has many others. But this doesn't mean that collectors can't build pleasing sets of stunning "CC" cartwheels. It will simply require an adjusted mindset. You learn for yourself what accurately graded specimens are worth, you ignore published price guide values, you become relentless in your search, you remain patient, disciplining yourself to reject one coin after another, and you assure yourself that in the long term your perseverance will be rewarded, because there will always be a contingent of collectors and dealers out there who recognize true numismatic beauty when they see it; and who don't need a grading service or a price guide to tell them what their coins are worth.

One method that you might employ to adjust your thinking in regards to the condition rating of coins in the era of gradeflation, comes from a popular aphorism of the Baby-Boom Generation. It refers to the aging of Baby Boomers and declares that fifty is the new forty and sixty is the new fifty. This may be an exercise in "age deflation," but it seems to comfort at least some Boomers. In regards to the prevalence of gradeflation in the field of numismatics, perhaps we can coin an adage of our own, whereby we declare that a certain portion of the recently-graded MS-65s are the "new" MS-64s, and the MS-66s are the "new" MS-65s. This might help collectors of Gem quality "CC" Morgan dollars to level the playing field, easing their minds if it becomes necessary to purchase MS-66 specimens when all available MS-65 pieces are of inferior quality. Sure, the price for MS-66 coins will be much higher than listed values for MS-65s, but then again, maybe if gradeflation had not overtaken the hobby, true MS-65 "CC" Morgan dollars would be worth what listed prices for MS-66s are anyway.

What can be done to restore integrity in coin grading, and what will happen to the influx of overgraded "CC" Morgan dollars, especially the ones graded MS-65? Well, unless the third party grading services harken to the call and issue massive recalls, not just for "CC" Morgans but all coins, the "old maid" examples will remain on the market. These "rejects" will continue selling at discounted prices, dragging down the values as posted in the guides.

Aside from the grading services taking the initiative, there is a

recent development, which could ultimately provide at least a partial solution to the infestation of overgraded coins in the marketplace. A new company named Collectors Acceptance Corporation has announced that it will provide professional opinions on coins graded by PCGS and NGC (possibly others) to determine if the coins meet all guidelines for the grades specified on the certificates. Reportedly, if a coin meets CAC's requirements, it will receive a "sticker of approval." Member dealers of this new "consortium" will establish new price levels for the stickered coins and offer to buy the coins sight-unseen. In time, this new venture would theoretically separate the "wheat" from the "chaff," or the old maid coins from the beauty queens (and kings), if you will. Two questions come to mind. First, how long will it take for CAC to review the millions of coins already in certified holders? It might be quite awhile before all of the MS-65 "CC" Morgan dollars are examined. Second, will the price guides publish CAC's values next to values for non-CAC coins? The true litmus test for CAC's influence in the coin market will occur in the auction place, where the prices realized for two coins of the same date, and in the same grade could potentially be extremely polarized. Imagine, if you can, an 1885-CC dollar graded MS-65 by PCGS and rejected by CAC, selling for \$975, while another example in the same grade, displaying a CAC sticker, hammers down for \$2,150. Knowing that CAC will be "policing" grading service activity, will PCGS and NGC tighten up their standards, reverting back to the stricter benchhmark of ten to twenty years ago? Will they in fact, devise a recall plan, allowing owners of coins the option of either retaining the ones downgraded during recall, with some monetary compensation awarded; or of selling the downgraded coins to the grading service for the fair-market value correlating to the original grade? Actually, both PCGS and NGC do offer a similar plan under

their guaranteed resubmission services. The thing is, neither company actively publicizes this service, and the monetary compensation for downgraded coins is generally insufficient. If for instance, you submit an 1890-CC dollar in MS-65 that you paid \$6,700 for, and it gets downgraded to MS-64, you might only receive \$3,950 for it if you sell it to the grading service. But think of the grading service. They've just purchased an 1890-CC dollar that's now graded MS-64 and is worth only \$2,000. Still, your loss is greater, and after all, it isn't your fault that the coin was overgraded; it is the grading service's fault.

Whether CAC will become the savior of the coin industry remains to be seen. It might be worth noting that its founder, John Albanese, also founded NGC, and was one of the founders of PCGS. What he didn't get right with the first two companies might be resolved with CAC. Perhaps something about the third time's a charm, is appropriate here. Another unanswered question is if the grading services will see the light and return to their dominant positions as standard bearers for the hobby.

All that we as "CC" enthusiasts want is for our accurately-graded coins to be valued at what they're truly worth. We don't need grading standards constantly changing. While PCGS, NGC and CAC work out all the details of how to overhaul the system, we still have numerous examples of lovely MS-65 "CC" Morgan dollars to choose from (at least in the more common semi-key dates). And one thing that the suppressed values caused by gradeflation provide us is generally lower prices, even for the accurately-graded examples. I know this doesn't offer much solace to those among us who have purchased MS-65 "CC" Morgans ten or more years ago and have not seen any significant price appreciation along the way. But, be of good cheer, if you're holding the finest examples possible for

the grades on the holders, the cream *will* eventually rise to the top, and prices for the show-stoppers will eventually adjust upward. You can't hold good coins down forever.

In the meantime, be cautious, picky and very selective when purchasing MS-65 "CC" Morgans (or any "CC" coin for that matter), and no matter what, don't get stuck with "old maid" coins.