

100J

The Summit of Stamp Collecting

The Monthly Grading Newsletter

Issue 19 / October 2018

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100J of the Month (PERHAPS!!)

**100J is the highest grade that a stamp can be awarded.
It is the summit of graded stamps. We start each issue with an example.
Each example presented has some special significance associated with it.**

While this is a rarely-seen used multiple block of Scott 11A, it would grade extremely low if graded. The margin cuts into the stamp design on position 8 (the lower right most stamp).



◀ In our opinion, this stamp would lower the overall grade below 70. The right bottom margin on this stamp cuts into the stamp design.

Multiples of early classic-period U.S. stamps often carry large premiums. Scott values a used 11A single at \$15, a pair at \$62.50, a strip of three at \$140, and a block of four at \$1,000! These valuations clearly point to the scarcity of used multiples of this stamp.

We can only surmise what a used block of eight might be worth if a block of four is worth the equivalent of 67 used single stamps!

This block is owned by Larry Hull, who is well known to readers of **100J**. Larry found the C11 graded-100J that is pictured on the cover of the current PSE SMQ (see page 4 of the September issue of **100J**). While Larry owns a great item, he is faced with a dilemma!

Larry is faced with several alternatives regarding the block of eight of Scott 11A. He could retain the block intact. He also has two grading alternatives. Larry could cut position three (top row, third stamp from the left) and submit it with the hope of obtaining a 100J grade. He could also cut positions two and three and submit this pair for a grade of 98 or 100.

Here are the possibilities:



Possible 100J

Possible 98 or 100

This is Larry's quandary. Does he alter the block of eight for a graded-100J used single or a possible graded-98 or graded-100 used pair? It is not a decision based solely on collecting interests, but also a decision greatly impacted by potential valuations.

Our Topic of the Month, "[The Quest for Better Grades](#)," is based on just such a dilemma. While this practice existed before formalized grading was introduced by PSE in 2002, it has greatly accelerated since grading was introduced to the hobby.

Today, it has significantly changed the hobby in several areas. Whatever our article discusses, we will get differing opinions from many of our readers. It is not only an emotional issue, but may be one of the most divisive issues in philately today. When should you alter existing philatelic items to obtain a highly-graded stamp? Should you ever alter existing philatelic items?

Quandary!

We would really like to hear from you on this relevant topic.
What should Larry do with the block of eight of Scott 11A?

Please share your thoughts with us.

In This Issue**100J of the Month***Pages 1 - 2*

To catch your attention, we start every issue with a graded 100J stamp that has some significance, some story. This month, the 100J (potential 100J) leads directly to our "Topic of the Month."

Editor's Thoughts*Page 4*

Item 1: We heard from a number of our readers that our new design was not fully appreciated. It seems that one-column beats two-columns in the world of smart phones. **Item 2:** Introducing a new column. **Item 3:** Another look at Kelleher's quarterly magazine, a quality philatelic publication - Randy Neil, Ed.

Topic of the Month*Pages 5 - 8*

"The Quest for Better Grades." While it started long before grading was launched by PSE, altering philatelic items to produce better-graded items is increasing dramatically and impacting various parts of our hobby. Collectors on both sides of this issue have very strong opinions.

Update - SUSGSR*Pages 9 - 11*

The Scott United States Graded Stamp Report (SUSGSR), formerly named the Linn's USGSR, has revamped its portfolio of stamps that will measure performance in the graded marketplace. While the SUSGSR has yet to report quarterly performance data, we provide a view of the key metrics.

Tip of the Month*Pages 12 - 14*

This month we are tipping not a stamp or a set but rather a whole segment - **Postage Due**. Of all the major segments, postage dues have remained the "forgotten" one, creating opportunities for collectors.

Grading Contest*Pages 15 - 19*

We stated that last month's grading contest was our "easiest" contest ever. We obviously used the wrong term. It was the "simplest" contest, but not the easiest. Hopefully the October contest will be the easiest **and** simplest contest. **Please enter the contest!!** We have given you a **clue** (page 17). Money and fame are waiting for you!!

Articles in Future Issues*Page 20*

To stimulate your interest in future issues, we have presented some of the articles scheduled for the combined November/December and the January 2019 issues. They are an interesting group.

Editor's Thoughts

ITEM 1: The first item this month concerns what you are reading right now. Last month, we changed the format of **100J** to a two-column format. We thought this would be well-accepted by our readers as an easier format to read and reinforcing our desire to continuously improve our efforts to make **100J** the philatelic periodical you look for each month.

Well, plans do not always work out as originally forecasted. We received several comments from our readers asking us to return to a one-column format. We also received comments from Scott Murphy (President, PSE) and Larry Hull (the most active grading person we know). It appears that people who read our newsletter on their phones find it much easier to scroll up and down and not from side to side. So, we have changed back to a single-column to meet reader requests.

We are delighted to make this change. Thank you for your input. Is this a "Back to the Future" moment?

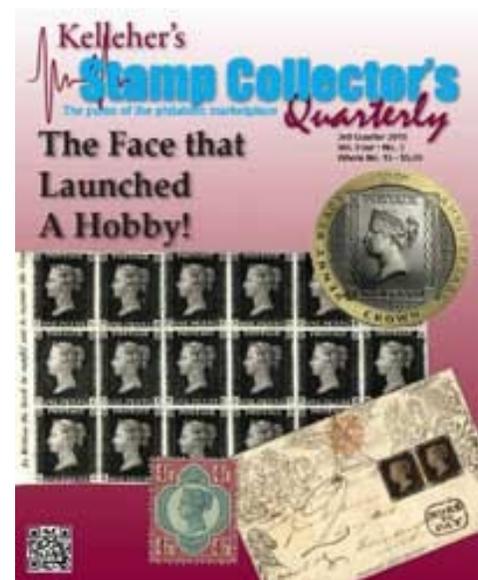
ITEM 2: * Starting with our next issue (number 20) we will add a new permanent section to our newsletter. Since many of our readers may be new to grading, some of the terms we use may not be familiar to them. We will add a red asterisk (*) to a term the first time it is used in an issue of the newsletter. The asterisk signifies that the reader should access the Glossary of Terms section at the end of each issue for a definition of the item. The Glossary will grow over time as more items are added. We hope that this section, suggested by our Circulation Director, Bruce Peters, will increase our readers' enjoyment of each issue of **100J**.

ITEM 3: Last month we discussed the article I contributed to *Kelleher's Stamp Collector's Quarterly*. I received my hard copy over the weekend. I hope that every **100J** reader is a subscriber to Kelleher's quality magazine, a spectacular publication. We believe that the quality of the magazine is directly attributable to its Managing Editor & Designer, Randy Neil.

Randy is involved with every aspect of the magazine and his personal touch can be felt throughout each issue. With approximately 50,000 hard copies mailed each month, this could be among the highest, if not the highest, circulation for a philatelic publication today.

Most amazing, a subscription is **free**. Either call (203.830.2500) or email Kelleher (info@kelleherauctions.com)

My article is on pages 34 - 43. Give it a read. Thank you!



The Quest for Better Grades
In the graded stamp segment of philately,
there is one overriding challenge - the quest for better grades!

Sometime in 2017, when Steve Crippe was the most successful graded-stamp dealer in the country, I was browsing through his offerings. I was instantly interested in a used pair of Scott 347. It was accompanied by a PSE graded certificate assigning it a grade of 90. The grade was very appropriate since the right stamp had a margin that was close to the stamp design.



Certificate 01309842

single **and** the old certificate for the graded-90 pair. It was the legitimate thing to do.

I instantly saw the possibility of moving from a graded-90 pair to a graded-100 single.

My main concern was, how do I fulfill my quest to better the grade on the graded-90 pair that I now owned. The answer was simple. I performed the requisite surgery to the pair amputating the right stamp of the pair. I was sure to leave an adequate portion of the right stamp. I then submitted the new used

single now graded 100. While I had succeeded in my quest to better the grade of an existing item by altering its appearance, I had destroyed a used Scott 347 in the quest for a better grade.

Some collectors will see my action as sacrilege. Destroying a quality philatelic piece just to acquire a better grade should be outlawed according to many traditional philatelists.

We have avoided the financial aspect of my action because this will definitely sound mercenary. It is, however, a real issue that often decides the action taken.

The financial facts of this example made the decision an easy one. The pair cost me \$170 (more than SMQ). The used pair was valued by PSE at \$120 in the grade of 90. This was the only used pair graded-90 with three pairs graded higher.



Certificate 01331010

The used graded-100 single is valued at \$600 - **\$480 more than the pair**. There are three used graded-100 singles with only one used graded higher at 100J. While unused imperfs are easy to "create" at higher grades, used ones are extremely scarce to rare. These metrics made my decision an easy one.

There was a very emotional article written by Nicholas Lombardi, the current president of the United States Stamp Society (USSS), about the practice of altering stamps to obtain high grades. The USSS is a very well recognized philatelic society that issues world-class publications detailing aspects of US stamps not found elsewhere.

In the USSS's in-house magazine, *The United States Specialist*, volume 79, number 4, dated April 2008, Mr. Lombardi authored an article titled, "Please Stop the Carnage."

He was extremely critical of the practice of obtaining graded-100J imperforate examples. He deplored the practice of ruining eight perfectly good stamps to obtain one graded-100J example. When you review the PSE population database, realize that for every graded 100-J imperforate stamp listed in the database, there are eight times as many stamps destroyed. Mr. Lombardi used Scott 314 as the example in his article. The PSE population database lists 28 Scott 314s NH graded-100J. That means there were 224 314s destroyed in the quest for a better grade.

Is this practice right or wrong? There will be opinions on both sides. There will be some strong emotional opinions on both sides. While there is no definitive answer that will satisfy everyone, each individual situation will help determine a "logical" answer.

Consider the Scott 347 example on the previous page. A \$480 increase in valuation seems to justify that move. It would also be hard to maintain the pair and forego a much rarer graded-100 example. I doubt if many collectors would criticize my action.

What about Larry Hull's Scott 11A block of eight? As of the writing of this column, Larry is investigating the subject of large used multiples of Scott 11A. Is his block the largest known used multiple? While a used block of four has a catalog value of \$1,000, what is a block twice that size worth? As Larry asks more questions and receives answers, I am sure that he will make a decision that makes sense based on rarity and value.

Should Larry decide to keep the block intact, he will have the ability to change that decision at any future point. If he, however, cuts the block to retrieve a highly-graded single or pair, that decision is irreversible.



Let's look at one more example. In last month's **100J**, we featured a graded 100J Scott 631 variety - without gum breaker ridges. I purchased this stamp in its present condition. It was ungraded but looked like a sure 100J candidate. PSE graded it 100J.

I have always wondered about the previous owner who had altered it to provide a potential 100J. This is not a common stamp. Scott values a hinged single at \$50. Using some of the NH data for position pieces, I believe you could easily estimate a NH single at 1.5 times or \$75. Therefore, destroying the eight surrounding stamps would mean eliminating stamps cataloging \$600 in order to create a graded 100J example.

In calculating the value of the stamps destroyed to obtain a higher-graded stamp, there are assumptions that need to be made. If the Scott 631 was part of a defective or hinged larger multiple, the value of the stamps eliminated would be lower. Without more details, I would always use a NH assumption for the eight surrounding stamps. This would be the high-side estimate.

Now that we have examined three very different examples, what conclusions can we draw from these situations? We need to move past the thoughts of the hobby purists who believe that any alteration of any stamp is a sacrilege.

I believe that it is reasonable to say that there are times when sacrificing stamps to obtain better grades just doesn't make sense, while at other times not sacrificing stamps for better grades makes no sense. The decision should be based on facts rather than feelings.

What facts should play a role in determining the fate of eliminating stamps to create a stamp that will grade better?

1. **Scarcity/Rarity**. Sacrificing stamps to create a stamp that will be a PT or UPT should be a positive reason for altering the present configuration of an existing piece. The reason becomes even more significant if it creates a UPT. If altering a multiple will produce a UPT, the sole best-graded stamp in the world, this should be a very sound reason why alteration might be the best decision.
2. **Value**. While value itself may not be enough to determine the appropriate course of action, the amount of any valuation differential may swing the decision. Would you alter your stamps if it meant little, if any, increase in value? Perhaps there might be special circumstances that would justify such an action. But under normal conditions, with little value change, most collectors would not undertake such an action. When, however, the valuation differential becomes large, the decision to alter stamps to obtain higher-graded stamps becomes an easier one.
3. **Changing Market Trends**. The prime example of this fact is the current plate block market. If you haven't noticed, plate blocks are out of favor to a large degree. The demand for plate blocks has fallen dramatically over the past few years. I believe that grading has played a major role in this decline. What is clear is that many plate-block collectors are carefully examining their plate blocks to determine if the plate block itself or one or more of the stamps are candidates for grading.

A perfect example of this action is featured in our previous article "**Window of Opportunity**" that is reprinted in the current PSE SMQ. It describes a C11 plate block discovered by Larry Hull at a garage sale. The plate block of six was poorly centered and not a candidate for grading as a plate block. There were, however, two stamps in the plate block that caught Larry's attention. They appeared to be very well centered and he submitted them to PSE. They came back not disappointing Larry. One was graded-100 NH while the other was graded-100J NH! Both stamps are the only ones in their NH grade levels. **After 16 years of grading, it takes a garage sale and Larry's keen instinct to uncover the two best C11 NH singles in the entire world!!**



◀ Certificate 01333228
PSE Graded 100 NH

Certificate 01333229 ▶
PSE Graded 100J NH



The recent trend of breaking apart plate blocks also applies to blocks of four and larger multiples (similar to Larry's Scott 11A). This trend has even reached the FDC/postal history segment of the hobby. A few years ago, I purchased a used Scott 628 graded-98. It was removed from an uncacheted FDC. I have seen several highly-graded stamps that were sourced from postal history covers. Wherever there are philatelic items, there is the potential for future graded stamps.

4. **Collecting Interests.** The ultimate reason for altering stamps to obtain better grades rests solely with the collector. Often when faced with a decision to alter an existing item, collectors will fall back on their collecting interests ignoring other factors. While this represents subjective reasoning, it cannot be overlooked since collecting interests very frequently drive the actions of a collector above and beyond the facts of the situation.

I hope that this discussion has shed more light on a topic that is increasing in frequency and will undoubtedly leave a permanent mark on the hobby.

If you are a collector who has disliked the grading movement, you will undoubtedly believe that altering any existing philatelic item is a terrible event. You probably believe that the form and condition of an item in your collection today should be the same way that it will one day leave your collection. You will not see any rationale for altering even one philatelic item. You will believe that this article should never have been included in the October issue of **100J**.

Hopefully, our readers are collectors who, while not avid grading collectors, have accepted grading as a new and exciting aspect of the stamp hobby. For these collectors, I sincerely hope that they have seen the rationale for altering the present form of philatelic items in order to obtain a better grade than the unaltered item would earn. They may not search for these items but when confronted with such items, they will analyze them to logically determine whether to alter them for a better grade.

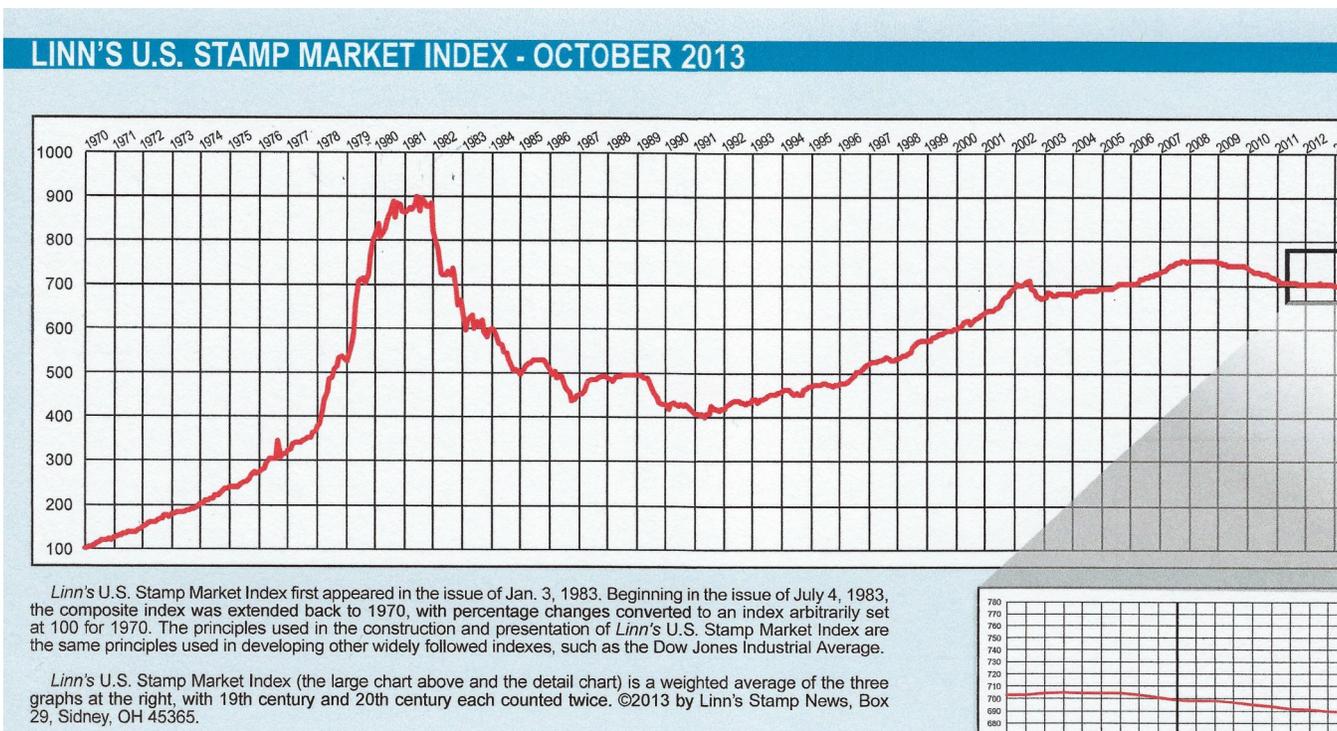
I feel fairly confident that when addressing hard-core grading collectors, "they get it." They completely understand that every item they own needs to be assessed to see if they are sitting on an upgrade opportunity.

In conclusion,

I wish every reader of **100J** *good luck and good hunting*. There are many opportunities (many "finds") awaiting those who are looking to fulfill "**The Quest for Better Grades.**"

The SUSGSR.
It is a grand idea to measure graded market performance since there is no other method to determine it.

In 1983, Linn's created a performance index of United States stamps that measured their performance from 1970 forward. They published it quarterly and it was always the first page I turned to upon receiving my weekly issue. The index was started shortly after inflation and interest rates hit historic highs. The index skyrocketed until the early 1980s and then crashed. The recovery was slow and it never regained the heights of the early 1980s.



As grading became more accepted and started to account for an increasing share of the money spent on U.S. philately, Linn's decided to create a similar index focused exclusively on graded stamps that would measure performance in the graded marketplace. Originally called the Linn's United States Graded Stamp Report (LUSGSR), it had great intentions, but lacked in execution. We performed an initial review of the index in issue 10 - June 2017.

Earlier this year, a change was made. The index name was changed to the Scott United States Graded Stamp Report. While this was a minor change, along with the name change, the leadership for the index was assigned to Jim Kloetzel. Jim is one of the most knowledgeable people in philately. He is the Editor Emeritus of the *Scott Specialized Catalogue of United States Stamps & Covers*.

Jim was faced with some immediate concerns. In our review, one of our most serious comments concerned the stamps selected for the report. We pointed out that the most important requirement for a stamp to be included in the report was the volume of sales of that stamp. Changes in value could only be measured by the prices realized in the marketplace. Specifically, we wrote,

“In order to measure changes in value, selected stamps must have a large enough population to ensure activity (sales). Very much like real estate where the top three considerations are location, location, location, the top three considerations for selecting a stamp for the index basket are - **population, population, population.**”

Some of the stamps selected for the original report had graded populations as low as two stamps! It was obvious that a major rework of the portfolio of selected stamps was a first priority.

Earlier in the year, Jim approached us asking for our help in reconstructing the portfolio of stamps in the index. After several conference calls and drafts, we came to agreement on a new fully revised portfolio. We believe the new portfolio is miles ahead of the original selection, and will produce much more accurate performance metrics. The new portfolio was introduced in the May 21, 2018, issue of the Linn's glossy magazine style publication.

The second priority facing Jim focused on the main objective of the SUSGSR - measuring graded stamp performance. Although the report was originally published in connection with the World Stamp Show in May 2016, Linn's had failed to report any performance data.

We will once again support Jim in ensuring that full performance metrics are published in the November issue. In order to prepare ourselves for a very tight deadline for the November issue, we have calculated the metrics that will most likely start the “official” process of measuring graded stamp performance. ***This will finally bring value to the report.***

In measuring performance, we can look at various metrics. The most significant:

- ***Performance of total portfolio of stamps.***
- ***Performance by grade level.*** Eight grade levels - 50/70/75/80/85/90/95/98. There are no jumbos or stamps graded 100 / 100J in the index.
- ***Performance by category.*** Three categories - 19th century, 20th century, and back-of-the-book (including airmails).
- ***Performance by condition.*** Three conditions - used (U), original gum (OG), and never hinged (NH). OG includes previously hinged (no remnant) and hinged with remnant.

There are other performance metrics, but the above four are sufficient to calculate performance. Here are the performance metrics based on the August report:

Performance of total portfolio of stamps

May 2018	\$248,677
August 2018	\$250,340
Performance \$	\$1,663
Performance %	0.67%

Performance by grade level

Grade	50	70	75	80
Performance %	0.00%	-0.09%	0.00%	-0.37%

Grade	85	90	95	98	Portfolio
Performance %	1.13%	1.08%	0.03%	0.97%	0.67%

Performance by category

Category	19 th Century	20 th Century	BOB	Portfolio
Performance %	-0.06%	1.43%	0.49%	0.67%

Performance by condition

Condition	Used	OG	NH	Portfolio
Performance %	-0.21%	0.40%	1.13%	0.67%

Performance metrics should be reported for the current quarter, year-to-date, and inception-to-date. The above metrics represent performance for Q2 - April through June. The current quarter, year-to-date, and inception-to-date performance metrics are identical since this is the first quarter of reporting performance.

The Critical Metric: The metric at the foundation of the SUSGSR is the quarterly change in valuations, the +/- displayed in Linn's. If these are accurate, then we have a true picture of the graded marketplace. If, on the other hand, they are not based on actual sales data, then we have a serious issue.

We need to obtain a thorough understanding of the sources of the valuation changes. In the past, we had some significant issues accepting the validity of the data. The legitimacy of the index is dependent on the valuation changes representing actual sales that can be verified as objective and not the subjective opinions of one or more individuals. We will, hopefully, report on this critical aspect in next month's issue.

The SUSGSR is at the point of becoming the most important metric for the graded stamp market. Verifying valuation changes is the last obstacle to becoming a "star."

***We have never “tipped” an entire segment of stamps.
Postage Dues have been overlooked in the grading world.
This creates opportunities for collectors!***

To start, unlike any other tip column in other leading philatelic publications, we will never tip esoteric stamps. In fact, we are often puzzled when another column tips a stamp that only a handful of collectors collect. We have never seen or heard of some of those stamps in our five decades of collecting (or a cumulative 150 years.).

There is a segment of stamps that is within the general interest of collectors but has barely been affected by grading. So instead of recommending a stamp or set of stamps, this month we will discuss an entire segment.

This month, we are focused on the Postage Due segment of U.S. philately. Collectors have hardly touched this group with grading submissions. Since 2002, no postage due stamp has a graded population higher than 67 stamps (includes all four conditions)! Compare this to any of the other major segments of U.S. philately.

During 2019, **100J** will undertake a comprehensive analysis of postage due stamps. For this month’s “**Tip of the Month**” column, we are just providing our readers with a heads-up.

If you haven’t reviewed the population of postage due stamps, you will probably be shocked by the low numbers that have been graded. For some of these stamps, it would not be difficult to search for and obtain PTs and even UPTs.

With low population quantities, valuations have not kept pace. You need to take PSE valuations for postage dues with a certain skepticism. You should not be put-off with low valuations. While we have only evaluated a handful of postage due valuations, we believe that a majority need to be subjected to a comprehensive review. In our opinion, postage due stamps are significantly under-valued. Some should be increased not by a fractionalized amount but by multiples of their present value.

The good news is that with this lack of attention being given to this segment, there are many opportunities for collectors.

Whenever we discuss collector interest in a stamp, set, or even segment, there is one sure method to determine true collector interest. We analyze the participation in the PSE Set Registry. The number of collectors who actively participate in the Set Registry serves as a very solid metric for determining interest. Here is the latest Set Registry data for postage dues:

Number of different categories: 31
 Number of collections in all categories: 13
 Number of different collectors: 2

Categories	No. of Cat.	% Total Cat.
No Sets	19	61.3%
One Set	11	35.5%
Two Sets	1	3.2%
Total Cat.	31	100.0%

The Set Registry tells the full story. Of the 31 postage due categories, 19 categories have no participation. That is more than 60% of the categories. Eleven categories have only one collection and one participant. The remaining category has two collections owned by two different collectors. In summary, of the 12 “active” postage due categories, there are 13 collections owned by just two collectors - one of them being our friend, Betsy Scott! Throughout the years, you have seen many of Betsy’s outstanding graded stamps displayed in **100J**.

To conclude our discussion of the postage due segment, below is a chart summarizing the number of PSE graded postage due stamps as of September 28th:

Issue Description	Scott	Ttl Graded	No. Stamps	Graded/No.
Issue 1879	J1-J7	165	7	23.6
<i>Special Printing Issue 1879</i>	<i>J8-J14</i>	7	5	1.4
Issue 1884	J15-J21	257	7	36.7
Issue 1891	J22-J28	321	7	45.9
Issue 1894-95	J29-J37	208	11	18.9
Issue 1895-97	J38-J44	255	7	36.4
Issue 1910-12	J45-J50	160	11	14.5
Issue 1914	J52-J58	204	13	15.7
Issue 1916-25	J59-J68	321	23	14.0
Issue 1930	J69-J78a	198	13	15.2
Issue 1931	J79-J87	104	19	5.5
Issue 1959	J88-J101	110	14	7.9
Issue 1978-85	J102-J104	27	3	9.0
Totals		2,337	140	16.7

Purpose of Chart : This chart shows the average number of graded **postage due** stamps per Scott catalog number. The average number of graded stamps per Scott number is 16.7. The median is 15.2. These numbers cover all four reportable conditions (Used, NG/RG/DG, OG, and NH) per stamp.

Metrics : 2,337 = total number of PSE graded postage due stamps as of September 28.
 140 = total number of Scott catalog postage due numbers in PSE population database.
 16.7 = average number of graded stamps per Scott number. $2,337/140=16.7$
 15.2 = median (middle) number of graded stamps per Scott number.

Conclusion : For comparison, the first four Columbian Expo stamps (Scott 230-233) have more graded stamps (2,401) than the entire postage due segment of 140 stamps! Each of the four Columbian stamps have an average of 600 graded stamps compared to the 16.7 average for all postage due stamps. Another indication of the "under-development" of the postage due segment.

Strategies

Graded: I recently searched eBay for graded postage due stamps. After eliminating erroneously titled lots, there was a total of nine legitimate lots. Comparing the offering price to PSE's SMQ valuation, eight of the nine were priced **HIGHER** than SMQ. Based on the metrics on the prior page, we are not surprised. It would appear that the sellers (all dealers in this case) are aware of incongruities in the pricing of postage due stamps.

It is hard to make a general statement about the strategy for graded postage dues. With offering prices indicated above SMQ, graded items priced below SMQ might well be items to consider for acquisition. Caveats - the largest discounts below SMQ are often lower graded stamps. The highest graded postage dues often carry the highest premiums to SMQ.

Ungraded: The strategy for ungraded postage dues is a two-sided strategy. While we often promote purchasing used examples in wholesale lots (e.g., 100 used singles), this option is limited when addressing this segment. There only a few Scott J numbers available in wholesale lots. We would suggest looking at these but remembering that some of the most common postage dues may have limited opportunity. The other side of the ungraded strategy involves looking for single examples that may represent a previously unseen nugget. Every day, collectors find ungraded beauties being offered for a small fraction of their potential graded valuation. ***We believe that both the graded and ungraded strategies will work well for postage dues.***

Potential Valuations: We have previously stated our thoughts on this subject. We believe that the entire postage due segment will one day be completely reevaluated. The timing will be dependent on increased populations of graded examples. Once the population reaches a critical level, we believe pricing will dramatically change to reflect the true scarcity/rarity of this segment. The changes in many cases will be extremely large in a positive direction. PTs and, especially, UPTs will be the recipients of the largest increases. ***There is a bright future for the postage due segment for those collectors who have patience. The time waiting for full recognition of this segment is a gift allowing collectors to increase their accumulation of graded examples.***

Conflict-of-Interest Statement: Never accept a "tip" about anything from anyone who does not provide you with a conflict-of-interest statement. You need to understand if that person is providing a tip to help themselves rather than you. As of September 30, 2018, we own a few graded examples of postage due stamps including one PT (Scott 62b) and one UPT (Scott J65a). We also own several ungraded examples that will be submitted for grading in the future. ***These holdings are not sufficient, in our opinion, to create a bias in this report. We, therefore, believe our "Tip of the Month" report is unbiased!***

The "Tip of the Month" column contains the sole opinions of the editorial staff of **100J**. They are not based on comments by any dealer or organization. The opinions expressed in this section should not be relied upon for any purchase contemplated by the reader. The opinions expressed are strictly the unsubstantiated views of the editorial staff of **100J**.

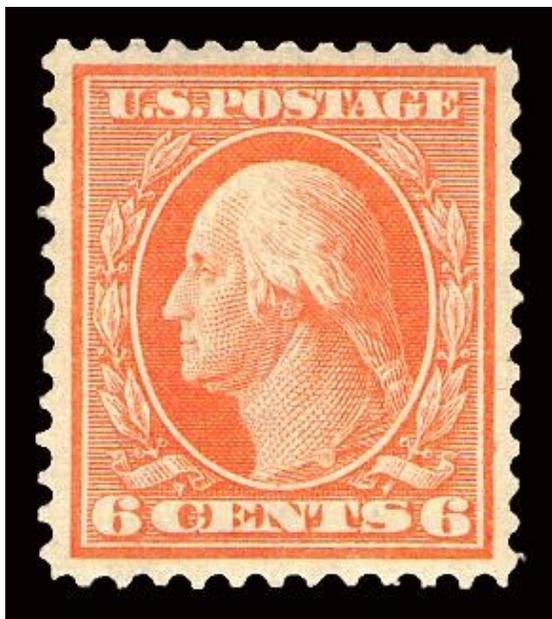
***If you read our **FLASH!!** dated September 19th,
you already know that we put our foot in our mouth.
We used the wrong word to describe the September contest.
It was not the “easiest” contest ever. It was the “simplest” (perhaps)!***

The September contest recorded the fewest number of correct answers in the history of this contest. The winner, Steve DeMoe only had two correct answers. Steve submitted his answers only 53 minutes after receiving the newsletter! He is a strong believer in the “early-bird” concept. Steve was very smart. If he waited just 15 minutes longer, he would not be the September contest winner. **Congratulations Steve** for a well played contest!

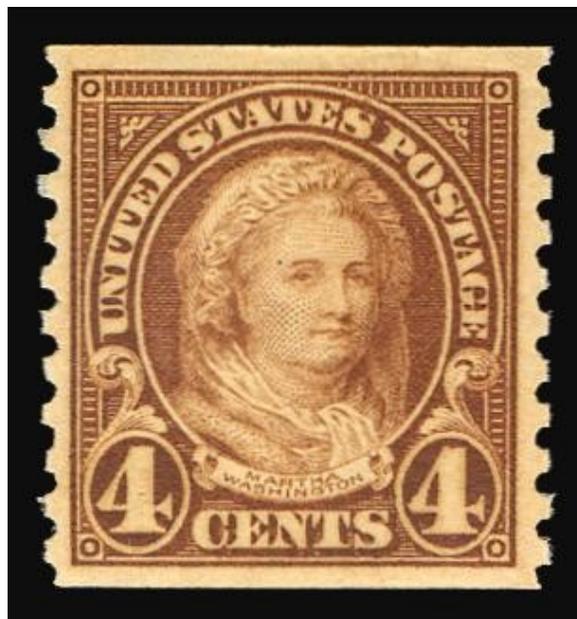
Steve earned \$75 for his two correct answers. Unless stated otherwise, the \$150 prize amount is always divided evenly among the contest stamps. In September, each correct guess earned the participant \$37.50 (\$150 / 4). The October contest below has the same rewards as the September contest. Each correct answer is worth \$37.50. If the winner correctly guesses all four grades, he/she will earn \$150.

This month, we are making one change. Instead of providing the grades of the four contest stamps, we will once again leave that up to the participants. This will eliminate forcing grades by the participants and allow us more leeway in selecting the contest stamps. We will, however, provide you with a **clue** to help your efforts.

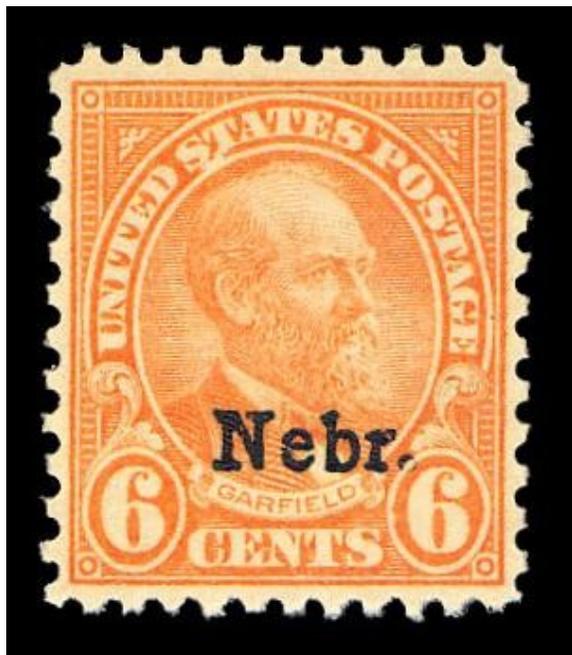
September Answers



Stamp 1 - Scott 336. Certificate 01261319 dated February 21, 2013. PSE graded **95** OG. Virtually every entry missed this one.



Stamp 2 - Scott 601. Certificate 01242085 dated October 20, 2011. PSE graded **85** NH. More than half of the entries got this one correct.



Stamp 3 - Scott 675. Certificate 01212811 dated November 20, 2009. PSE graded **80** NH. For a rotary issue, looks nice even with an 80 grade.



Stamp 4 - Scott 726. Certificate 01291831 dated November 18, 2014. PSE graded **90** NH. It was the second toughest stamp to grade correctly.

NEW Explanation of Grades **FEATURE**

The grading contest is fun, especially for the winner. It meets half of our mission to educate and entertain our readers. Up to this point it did not deliver on the education portion. So starting today, we are going to insert some education into the contest. This week we will look at one of the stamps and see if we can deliver some educational value.

Stamp 1 - Scott 336 did not receive one correct answer in the September contest! We thought we should try to provide our readers with a reason.

We contacted Tom Schilling, the PSE resident expert. Tom is a vault of information and history. He is also one of the nicest people you will ever meet. Tom provided us with an explanation why this stamp was so difficult to grade for our readers. To be totally honest, while I understand grading pretty well, when it comes to the mechanics of grading, I am a 4th grader. To present Tom's answer, we asked Rich Spector, our Copy Editor, to provide a 4th grade explanation so that I would understand the reasons.

Rich delivered the following. "When PSE grades a stamp, a series of measurements produces a value, and that value determines the grade of the stamp. Each grade falls within a range of these values, similar to the way school grades work. For example, the range of a B in a school could lie between 80% and 89%. This leads to the concept of a "low B" (close to 80%, just avoiding a C) or a "high B" (89%, just missing an A). Similarly with stamp grading, depending on where a stamp falls in the range of the 95 grade, it could be a "high 95" or a "low 95." In the case of the 336, the stamp was a "low 95," according to PSE."

Another “toughie” was Stamp 4 - Scott 726. This is an example of a non-rectangular frame. A good example of the difficulty in grading this type of stamp belongs to the Pan-American series (Scott 294-299). In next month’s issue, Rich will provide Tom’s explanation of measuring stamps with ornate borders in “The Pros Speak” column (and Tom is THE PRO).

We sincerely thank Tom for his help in all aspects of grading.

October Grading Contest

Stamps displayed in Scott number order

For October, we have selected a challenging set of four very different stamps with something in common - that was the **clue** in case you missed it.

Each correct answer is worth \$37.50 - \$150.00 for four correct answers. The winner is the earliest-received entry with the most correct answers. Only one entry per subscriber, please.

There are no defects associated with any of the stamps. So, what you see is what the grade should be.

Email your best guess to ray@100j-grading-newsletter.com. The deadline for submissions is midnight (EDT) on Sunday October 28th. We will announce the winner on Wednesday October 31st via our **Flash!** Make your Halloween a happy one by winning \$150 and becoming our grading expert for the month. Those are the rules - easy! Please don’t forget to enter early.

Stamp 1 - Scott 382 ►



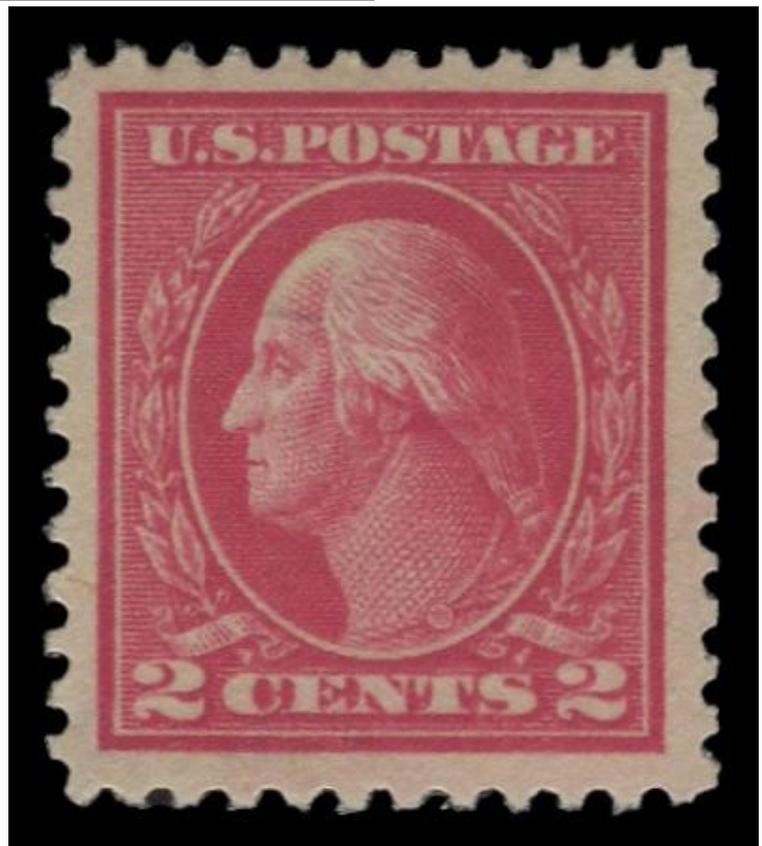
October Grading Contest

Stamps listed in Scott number order



◀ Stamp 2 - Scott 397

Stamp 3 - Scott 500 ▶



October Grading Contest

Stamps listed in Scott number order

Stamp 4 - Scott J50 ►



Good luck!
**Remember, you've got to be in it,
to win it!!**

*Our goal is to educate and entertain
our readers on the subject of grading.
This is the entertainment portion of our program! Please enjoy it!!*

Articles In Future Issues**November / December Combined Issue***(to be distributed shortly after Thanksgiving)***BluePaper Project***(rescheduled from October)*

When have you ever heard of a company turning down revenue in order to help their customers save money? Leave it to PSE to set the standard for the most customer supportive company in America (or at least the philatelic hobby)!

Grading Creates Money

This is perhaps extremely obvious BUT needs to be discussed. It retains a similar theme to that of the Federal Reserve (or banking system) creating money out of thin air. If you are not a grading fan you are missing out on the “**miracle of grading.**”

Valuing 100J Stamps

PSE does not value ANY graded-100J stamp (for good reasons). There may come a time when we want to assign a valuation to a “summit of stamp collecting” stamp (a 100J). While there is no single accepted method, we have some interesting thoughts on the subject.

Our Resolutions

Most of us have never kept a New Year’s resolution longer than a day or two after watching the ball drop. While we may do no better, we have the **100J** list of resolutions and want to share it with you.

January 2019 Issue*(to be distributed shortly after January 1st)***Revisit - the Never Hinged Premium**

We are going to revisit one of the most confounding topics - the never-hinged (NH) premium. While it is hard for us to understand, the NH premium currently reflects an historic high. Are we collecting the best grades available or the best gum available? Some examples defy logic!

Revisit - Paper or Plastic?

Another revisit to start the new year - paper or plastic? While encapsulation has become the industry standard for coins, currency, sports cards, comic books, and several other hobbies, stamp collectors have not yet seen the benefit of opting for plastic instead of paper certificates.



We are actively looking for your story about graded stamps. It is a rush seeing your name as the author of a published story.

You can select the topic. It can be a personal story about graded stamps or it can be more technical.

We will help you at every step in the process. We will “polish” the article so that it sounds like a Hemingway novel (if that is what you want).

We welcome any thoughts, suggestions, requests, and *criticisms* that you may have regarding **100J**. Our mission is to create a grading newsletter that both educates and entertains our readers. We can only accomplish this with your help. Please share anything with us. We want **100J** to be the philatelic publication you look for each month. Thank you!!

Prior issues of **100J** as well as yearly tables of contents are available free of charge. We are about to launch a change in delivering prior issues to you. Watch for an early October **FLASH!!** We offer our sincere apology to those readers who requested prior issues before. Our new delivery system will hopefully meet with your approval.

Grading is the most exciting new aspect of philately since stamps were first issued!

100J is a monthly newsletter focused on the grading aspect of philately. It is delivered by email to any and all interested parties. There are ten (10) **100J** issues published per year, including two combined issues - July/August and November/December. Subscriptions are **free** and may be requested by using the form on www.100j-grading-newsletter.com or by requesting a subscription by email to ray@100j-grading-newsletter.com. You may unsubscribe by emailing ray@100j-grading-newsletter.com. The marks **SCOTT** and **SCOTT's** are registered in the U.S. Patent and Trademark Office and are trademarks of Amos Media Co.