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Introduction:

We like to point out that our proposals should not be misunderstood as an offense against anybody in person. We are aware about there are many IBSS members being very active for the Society, so it's definitely not our intention to criticise them negatively in general or evaluate their work as "something bad/stupid/worthless/...". Further we don't want to be considered as "know-it-alls" or "wise guys", telling others "what they have to do". But, as major dealers and auctioneers usually have a better view of what is going on in the global market and also make more experiences with the acquisition of new collectors, we are that much self-confident to address a few things going wrong. Things which are well intentioned by those "active members" mentioned before as they expect that many other collectors, even new ones, must have similar interests - but finally are counterproductive as the effects are different ones. Therefore, our intention rather is to change things to achieve the intended results, even at the risk that our proposals might be classified impossible at the first view.

We hereby propose,

A)

that IBSS should refrain from publishing any auction reports about Chinese auction houses such as Yangming or Hosane in SCRIPOPHILY magazine or newsletters. More about that, auction results must not be included in "Top Ten" lists as published in the March 2017 issue anymore.

As we can see, many items offered in these houses' auctions sell at very high or even quite irrational prices. Unfortunately we can't see what we would expect as a logical consequence: Chinese dealers "overrunning" the European market with bags full of money and buying loads of papers here in order to make a real good business by selling them at top level prices in their own country. At least the rare items should be demanded a lot higher than they currently are. More about that, do we know anyone who ever successfully consigned to one of those auctions? I made the experience that it took various attempts to get at least a reply – and finally a consignment even of better stuff was denied by far-fetched reasons. Another person – a collector – reported the same to me as he never got any reply. Further I talked to Rüdiger Weng, who became one of the major art dealers worldwide. He confirmed me that it's obviously the same behavior as in the art market: Everything is non-transparent and prices either are fakes to suggest a high price level and/or a high percentage of buyers finally doesn't pay.

Therefore we feel that all the information provided from and about these houses includes a high risk of being wrong or could influence the market in a wrong way. Even if we are

convinced that the market needs increasing prices and should focus on the top items to develop, these prices should at least be genuine. Otherwise collectors' and buyers' confidence may cause irreparable damage as we unfortunately had to see in the past much too often. Finally, if six out of ten results in a "Top Ten" list are questionable there could be a disadvantage for "serious" auction houses, which invest a lot of money in marketing and customer service to fetch top results, but might be relegated to the minor positions (11 to 16 in this case) only because of such "practices". That is not only not fair, but finally doesn't help the market at all.

B)

that IBSS should refrain from publishing any auction reports about "Non-Scripophily" auction houses and about eBay in SCRIPOPHILY magazine or newsletters.

Especially in the UK, there are numerous "Non-Scripophily" auction houses. These houses don't serve a special collectors area or have themed sales, but just sell everything they get consigned – mostly without an estimation close to the market or at least any efforts to realize such a price. eBay on the other hand was designed to be a kind of virtual flea market without the necessity to set a limit price. eBay never worked on people getting the highest prices for items, but was interested to generate as many sales "at any price" as this was a much easier way to grow. Further not every "classic" collector became an online buyer, so demand on eBay still is on a much lower level than in "classic" Scripophily auctions, especially as "flea market buyers" further are not willing to spend that much money on items.

This might lead to sales of Scripophily items being "too cheap" – which of course is a quite nice opportunity for collectors as well as dealers. Unfortunately there is another side to the story: Once auction reports like those about Whyte's, Duran Arte, Neal Auction or Bonhams and reports about specific eBay sales are published (as they were in the March 2017 issue), they show two essential disadvantages:

At first low prices might suggest collectors that the price level of the mentioned items may have dropped more or less significantly as they won't know the whole background and won't realize that these low prices might only result from a small range to buyers – so it might have an unnecessary negative influence on them and their buying activity. Further most of any potential new collectors don't want to read "how cheap" an item was sold. No one is interested in a market full of cheap things. And, no art magazine will ever report about any painting which sold extraordinary cheap! Attraction only comes from the top end ...

More about that it makes it harder or nearly impossible for dealers to buy "underpriced" items and re-offer it in a "specialized" Scripophily auction at a "close to the market" price as well as all these reports about "sale profits" (see the Nate D. Sanders report in the March 2017 issue) do. Beside the fact that this will also lead to Scripophily auction houses receiving less quality consignments and the market declining, all these interferences in dealers' businesses should be finished. It must not be a goal of a collectors magazine to uncover dealers sources and buying conditions as well as their potential margins. Instead of promoting "Non-Scripophily" auction houses even a collectors society should support the professional dealers in the market. Just remember that these houses and especially eBay never did any advertising for our hobby and they never were and would be the ones who would support Scripophily in general or in particular the IBSS! So, looking at the current volume of advertising in SCRIPOPHILY and the call for help for more content it's obvious the magazine has to be more beneficial for Scripophily dealers interests – otherwise even the remaining advertisers would get lost very soon and no dealer would be willing to substitute the magazine however with money and/or content!

Finally we are once again at such a point where IBSS urgently has to consider how to proceed. As long as not even all collectors and/or at least IBSS members realize that – compared to other markets – our market has a significant "image problem" and external people would rather see us as a small and declining group of "financial history nerds" instead

of a prospering group of sophisticated people being busy with one of the most interesting hobbies in the world, IBSS will steadily become less important and will only remain as a counterproductive relic from past times until it's foreseeable dissolution quite soon. If IBSS should become a modern and forward-looking association, the nature of the content has to be changed as well as the way of distribution. Last one would be a revival of a past discussion – anyway, nothing changed since then and the number of members most probably still declines (or at least SCRIPPHILY would not be the reason for a rise).

C)

that IBSS should refrain from publishing any results of “speculative” sales in SCRIPPHILY magazine or newsletters.

We understand that SCRIPPHILY should contain much information about sales. Further many people like these speculations as they are good abilities to sell some more or less common items and re-finance the own collection in an unexpected way. But, there is still quite a number of people who don't like the speculation. They don't feel that it has to do much with the hobby and they might lose motivation due to this. Further there is a dangerous side effect: Many collectors may know about speculations in theory, but never took part in such a way personally – at least in Scripophily. So I'd say they “don't know about it very much”, meaning they hardly have a feeling about real (and fake) prices as long as they are no dealers, who might be able to judge demand and paid sales much easier. As dealers often bought these items from collectors, quite often an unfavourable development happened as prices continued to rise and - when reading about the risen prices in any publications - collectors felt they might have sold “too cheap” or - not uncommon - the dealer paid them too less – even if he didn't and more about that had to take a risk, which should not be underestimated. The same problems occurred, when demand for specific items decreased and prices were declining. Sellers tend to call potential buyers unserious as they expect to get “the maximum” out of their bonds – and very often keep their items until the speculation is completely gone. So, beside a potentially distorted relationship between two people, collectors could get in their own way and finally would be left with “nothing” – just because someone told them what anybody else might have received on the peak or maybe even didn't get as his item remained unpaid (which was not reported about). Finally all this information about “speculative” prices brings more damage to the market than it is good for. And finally it doesn't make sense to publish prices, who aren't verified at all and have a high probability to be faked prices..

D)

that IBSS should take over or organize translation work and costs for issue of a book following the HSTM Historic Stocks Market Index.

Launching the HSTM project ( <https://hstm-index.com/> ) was not only an important step to alter negative public perceptions of our market, but created a “non-profit” marketing instrument to be used in any publications of which we need so much more with a positive view on our market. Finally it provides an idea of a worldwide top collection, which can be extended easily by every (new) collector.

In order to add another type of product to this project, a group discussion in Antwerp led to the idea of publishing a small book. It should consist of some basic information about Scripophily, but mainly of pictures and a very little history for each of the 100 HSTM Index members. This book is intended to be a kind of giveaway to what we called “the target group”: People with a financial background like bankers, brokers and investors – thus mainly people who are still making profits with their investments and so rather willing to spend money for Scripophily. We expect that even in times of Hi-Tech such kind of books could be a suitable medium to be a kind of “appetizer”.

We are currently working on the German version of this book. The book will be supported by the EDHAC (the German Scripophily Society) as it will take over the costs for layout and a first quantity of about 2,000 to 3,000 copies. More about that we are negotiating with institutions and companies in the financial industry about abilities to win them as distributors. An individual label could be possible, so the total issue may be even enlarged once they or others are willing to take over the costs.

As we would appreciate that this book could also be published in an English version, we would see IBSS being “the right one” to take over this part.