Scrippophilia: Old Paper Finds New Fans
Call it Antiquing
For the Muni Set

BY MATTHEW JORDON

When Paul Kinsey and an associate were handed a box by a senior broker at Dean, Witter Reynolds Inc. in 1978 to deliver to the firm’s downtown Los Angeles branch, he peered in and found roughly 200 bearish bonds priced on paper of striking quality.

For the young trader who was then working at one of the firm’s other branches in Southern California, it sparked an interest in a hobby he continues to pursue to this day.

“One of the senior brokers had just come back from an appointment with a client with a deposit full of bearer bonds,” Kinsey recalled. “Our downtown branch didn’t have a vault, so we had to drive it downtown.”

“Having a dress box full of bearer bonds was kind of a dramatic thing. When you go back to stuff that goes back to the 19th century, you can really see a reverence for the people in their tenure,” he added.

Kinsey’s fascination led him to become one of many people around the country who pursue scrippophilia — the collecting of antique muni bond certificates.

“Martin’s price list is a big part,” he said.

Today, only about 1% of muni bond purchases are accompanied with a certificate, Kinsey said.

Paul Kinsey, seen here with co-workers Sara McAfee (left) and Jodiene Nishiyama (right), is the owner of more than 30 antique muni bond certificates.

N.Y.’s ESDC Approves $140M For Mets, Yankees Stadiums

BY ADAM L. CALADO

New York’s Empire State Development Corp. yesterday approved plans to sell $140 million of personal income tax bonds to cover the state’s share of funding for two New York City baseball stadiums for the Mets and the Yankees.

The ESDC action advances plans to build two new ballparks for Major League Baseball’s New York Mets, which play in Queens, and the Yankees, which play in the Bronx.

The Mets plan to build a 42,500-seat stadium complex next to its existing Shea Stadiums. The Yankees intend to build a 53,000-seat ballpark next to its Yankee Stadium.

Last week, the New York City Industrial Development Agency gave its approval for the Mets to issue nearly $1.4 billion of tax-exempt debt for both the Mets and Yankees.

The agency will issue $382 million for the Mets, with $258 million of that as tax-exempt and $124 million as taxable. An additional $310 million of debt will be sold for the Yankees, with $296 million of that being tax-exempt and $64 million taxable.

The municipal bond market finished weaker yesterday as a number of investors put bonds out for the bid and Treasuries moved into the red after existing home sales unexpectedly tumbled in February, hinting at more Fed rate hikes beyond the one expected at next week’s Federal Open Market Committee meeting. Complete market coverage by Anastasia Johnson appears on Page 2.
Old Paper, New Fans: Muni Dealers Flock to Scripophily

In 1990, Bob Kerstein was the chief financial officer of the cellular division of a large wireless telecommunications company when he attended a Civil War trade show and took note of some bonds issued by the Confederacy.

"I remember going to that show and seeing for myself what a worthless piece of paper," said Kerstein, who lives in northern Virginia. "But then I looked at it again and said what a neat worthless piece of paper."

"It is kind of scary when you see it in writing and you go, Wow, there really was a Civil War, and they really did have to raise money, and that forces you to dig into it and find out what it was all about," Kerstein said. "I just got hooked from there."

Today, Kerstein owns what he says has become the largest Web-based antique stock and bond selling business. After AT&T purchased the cellular name scripophily.com, Kerstein said his experience in Canada was instrumental in helping him to create the Web site.

The advent of the Internet in recent years has made it much easier for scripophiles, looking for old securities to find them through Web sites like his. While municipal bonds represent only a small portion of the antique securities available to scripophiles, they attract quite a bit of interest from buyers on the Web.

In general, come from working in those days when we handled the real thing," said Kinney, who added that he has a "natural affinity" for municipal bonds.

Among the favorites in Kinney's collection is a 1969 Golden Gate Bridge and Highway District bond originally sold for $1,000 for its lithographic image of the historic San Francisco bridge and bay.

Others are more attracted to old bonds for their aesthetic or historical value.

In 1969, Golden Gate Bridge and Highway District bond originally sold for $1,000.

St. Joseph Denver City Rail Road Company bond note that was issued July 23, 1866.
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Earnings have drastically increased due to the demand for antique municipal paper and the increased interest in the field of scripophily. Many collectors are expanding their collections to include antique municipal paper, which is becoming more valuable and sought after by investors. As a result, the market for these collectibles is growing, and antique municipal paper is becoming a preferred investment for those seeking to diversify their portfolios.

The increased demand for antique municipal paper has also led to an increase in the number of publishers and sellers of these collectibles. Many new companies are entering the market, offering a wide range of products to meet the growing demand. These companies are working hard to provide the best possible service to their clients, offering high-quality products and excellent customer service.

Despite the challenges, the market for antique municipal paper is expected to continue growing in the coming years. As more people become interested in this field, the demand for these collectibles is likely to increase further, driving up prices and creating new opportunities for investors.

In conclusion, the market for antique municipal paper is a dynamic and exciting one, with many new opportunities for collectors and investors alike. As the demand continues to grow, the potential for profits is high, making this a great time to get involved in this fascinating and lucrative field.

This Philadelphia water bond was issued in 1859. It is a rare example of a collectible antique municipal paper worth $1,000,000.

Money Market Funds

Tax-Exempt Assets Drop for 2nd Week in a Row

Investors are looking to diversify their portfolios and reduce their exposure to volatile market conditions. As a result, many investors are turning to tax-exempt assets, such as municipal bonds, as a way to protect their wealth. However, recent market conditions have caused a decline in the popularity of tax-exempt assets, leading to a decrease in the demand for these investments.

As of the end of the week, tax-exempt asset funds experienced a decline in their asset levels. A significant outflow of $9.2 billion was seen, with the largest outflows coming from funds that invest in municipal bonds. This outflow is expected to continue over the next few weeks, as investors continue to dump tax-exempt assets in favor of more attractive alternatives.

However, some investors are still holding onto their tax-exempt assets, seeing them as a valuable way to diversify their portfolios and protect their wealth. As a result, the demand for these investments is unlikely to disappear entirely, but the decline in demand is expected to continue for the foreseeable future.

Overall, the current market conditions are making it difficult for tax-exempt asset funds to attract new investors. As investors continue to seek new opportunities to protect their wealth, it is likely that the demand for tax-exempt assets will continue to decline in the coming weeks.

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