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Burying hoard of gold coins in backyard could be costly mistake

\$10 million find by anonymous Gold Country couple inspires garden digs for treasure

By: Gus Thomson, Journal Staff Writer



The Auburn-area soil is soft from a series of rainstorms and Gold Country imaginations these days are fertile with the prospect of finding buried treasure.

After all, it was only less than a week ago that a Gold Country couple – still not identified – and living in a heretofore anonymous town dug up \$10 million in gold coins stashed probably 100 years ago in tin cans.

The idea is inspirational for gardeners like Auburn's Richard Huntley, who said Monday that he digs for the pleasure of growing plants but, since the news of the treasure find broke last week, has been keeping a more watchful eye out for tin cans and other signs of another potential stash of riches.

Over decades of digging, the Auburn Garden Club board member said he's dug out the odd tool in the soil, but no gold that he could cash in on.

"There's been nothing of value," Huntley said. "But I know that back when I was a kid, a lot of people didn't trust banks. Today, I still suspect that if one did it, then there will be others."

Loomis' Becky Nalbandian, of All In Organizing, provides assistance to people who need help organizing their possessions. One of the disadvantages of hiding possessions – like the person who left the century-old hoard of gold coins – is that it may be forgotten, she said.

"I don't recommend burying," Nalbandian said. "People will forget or won't know where exactly something was buried. Moisture can damage what is buried and animals can dig it up. But forgetting where it's buried can happen. It's 'out of sight, out of mind.'"

Nalbandian said that she has personal experience with a gold hoard that went missing after a relative passed away and heirs went on a search through the house to find gold coins the deceased was known to have collected.

The coins were eventually discovered in the man's bathroom, 10 gold coins wrapped in a dirty napkin placed inside a cluttered vanity.

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"He might have forgotten where they were, which is very common," Nalbandian said.

"There are more traditional methods that are secure ways of hiding your savings."

If someone does decide that a carved-out book, a false wall or a mattress with a secret compartment must be used, they shouldn't keep it a complete secret, she said.

"It's important to let others know if you're going to hide things in unusual places," Nalbandian said.

Even then, a secret compartment or a false wall can be too burdensome to explore.

"There was a recent situation with an estate where the daughter was told there were hidden firearms inside walls," Nalbandian said. "But the cost of tearing into walls was not economical because no one knew where the false walls were."

Nalbandian said the story of the \$10 million in gold coins sitting for possibly a century left her sympathizing with the person who buried them.

"It's unfortunate that the person had all that money in gold and never reaped the benefits of it," she said.

Auburn's David Hammer, author of "Dynamic Asset Allocation," agreed that burying gold is not a good idea. Not only could it be lost, but the idea of sitting on an investment with a potential downside risk on its value is not a good strategy, he said.

"During the big immigration of the 1900s, a lot of people did that," Hammer said. "I had a cousin who kept all her money either under the mattress or in a giant pocketbook that was literally the size of a suitcase."

Hammer, founder of Hammer Asset Management, said the couple who found the treasure would be wise to diversify into other forms of investments that would provide a more secure return, including stocks and bonds.

"If I were them, I wouldn't keep more than 10 percent of their assets in gold coins," he said.

If recent swings in gold prices are any indication, their newly discovered cache could be prone to a drop in value, Hammer said.

"I have a friend whose wife thought the world was coming to an end," Hammer said.

"So they took \$1.7 million in savings and put 100 percent into gold bullion and gold stocks. Last September, they finally gave up. They were down to \$700,000 and had lost over half of their life savings."

According to an Associated Press report, the couple plan to sell most of the gold coins on Amazon.com. They say they were walking their dog on their property when they spotted a tin can. The tin can was one of several containing a hoard of more than 1,400 gold coins dating from 1847 to the late 1880s.

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