

Position on “Slabbing”

The position of the current Board of Directors of The Casino Chip & Gaming Token Collectors Club, Inc. (the club) is as follows:

Slabbing, or to be more precise, grading and encapsulating, has not proven itself to be a reliable means of defining value, authenticity or even condition, and therefore to give it the imprimatur of club approval could be misleading to collectors, especially novice collectors.

Slabbing may be of value to other types of collectibles but the nature of it in and of itself has not shown to be reliable in the area of casino chips. For instance, we are aware of no recognized expert who is employed to grade and evaluate casino chips.

The club feels that it has an obligation to its members not to imply slabbing’s acceptability or reliability, nor to perform acts which would allow members to infer acceptability and reliability, unless and until all steps have been taken which would insure that it is acceptable and reliable.

In previous decisions by the Board of Directors, past and current, the following decisions have been made:

- a) Slabbed chips are not permitted in the club auctions;
- b) Slabbed chips are not permitted in the convention exhibits;
- c) Slabbing services are not to be performed, solicited, exhibited or sold at the convention; and
- d) Slabbing companies cannot advertise in the club magazine.

However, the Board of Directors has not prohibited:

- 1) Slabbed chips from being sold at member/dealers’ tables;
- 2) Slabbed chips from being traded in the trading sessions;
- 3) Slabbed chips from being advertised in the club magazine; and
- 4) Members selling or purchasing slabbed chips.

There is a very fine line between (a) not wanting to signal to members that slabbing is a good idea and will have a monetary return, and (b) actionable restraint of trade by prohibiting members from doing what they wish to do privately. We have tried to straddle that line to protect the hobby from what we perceive to be negative influences without giving rise to and opening up the club to litigation.

We have an obligation to educate under IRS § 501(c)(3), and this stated policy tries to accomplish that.