



Amateurs Cash In on New Gold Rush

Gold's Soaring Price Inspires Some to Sell Old Jewelry, Hunt for Garage Sale Gems

By **JAIME BEDRIN**

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Meet Ken Schnoll.

He's a New Jersey-based stockbroker who spends his weekends at garage sales, combing through other people's junk. He walks around with a large wad of greenbacks and a small magnifying glass attached to his key ring. He's looking for old bracelets, pendants, rings, even dental fillings.

Schnoll wants gold -- lots of it.

With the price of gold hovering above \$900 per ounce, Schnoll buys it up, as much of it as he can get his hands on, and later sells it to an assayer in New York City.

Since the start of the year, he said, he has spent more than \$100,000 buying gold. He made so much extra income selling it that he had to report it to the IRS.

Phil Flynn is a senior vice president and market analyst with Alaron Trading. He said he wasn't surprised that people like Schnoll are hunting for gold. Gold is generally seen as a hedge against oil-led inflation, and it moves in the opposite direction of the dollar.

Right now, the dollar is weak, and that, combined with the current housing market downturn, is sending the price of gold to record highs.

"At \$1,000 an ounce," Flynn said, "you can make some good money."

And frankly, it doesn't take much work to rake in the big bucks. There are several companies devoted to buying gold and other metals, places such as Cash4gold. The company sends you a secure, prepaid envelope, and you mail it your goods. It examines your gold, weighs it and then cuts you a check, or for a small fee, deposits the money into your bank account. Another option is to bring your junk pile to a jeweler who's in the business of buying gold.

Either way, Flynn said with a chuckle, it's a good time to "see what fillings you have in your teeth. You may want to knock them out."

Schnoll, the stockbroker, said that last week he went to a townwide garage sale in New Jersey and spent about \$9,000 on baubles. Now he will sell that gold and turn a profit of roughly \$1,500. He said he likes the extra money, but added that mostly he does it for the "kicks and giggles."

Jeweler Frank Pollack said that what's happening now is pretty typical of what happens whenever the price of gold spikes.

"When it approached \$800, which was the previous high from 1979, people came running to sell gold quickly," he said.

Sitting in his Manhattan office overlooking Fifth Avenue, Pollack said customers need to pay very close attention to what they are selling. In many instances, gold jewelry is sold as scrap metal. It's weighed and sold with the intention of being melted down. But sometimes a well-crafted necklace has a greater value as a piece of jewelry and should command more money, especially if it was made by a trendy designer.

Business partners Oshri Reuven and Steve Madar have been in the luxury jewelry business since 1990, but they started buying and selling gold about eight months ago when the price of gold started to soar. Their clients are selling old watches or gifts they got from old boyfriends -- things they don't wear anymore.

It's hard to say how high gold will go in the future. Flynn said some people are "wildly bullish" and are speculating it could hit \$2,500 an ounce, though he says that's unlikely to happen.

Reuven said that gold is already high enough. He suspects it will settle somewhere between \$800 and \$950.

"I don't feel that gold should be over \$1,000 -- no way, shape or form," he said.

Reuven fears if gold climbs much higher, no one will be able to afford to buy fancy jewelry anymore.

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