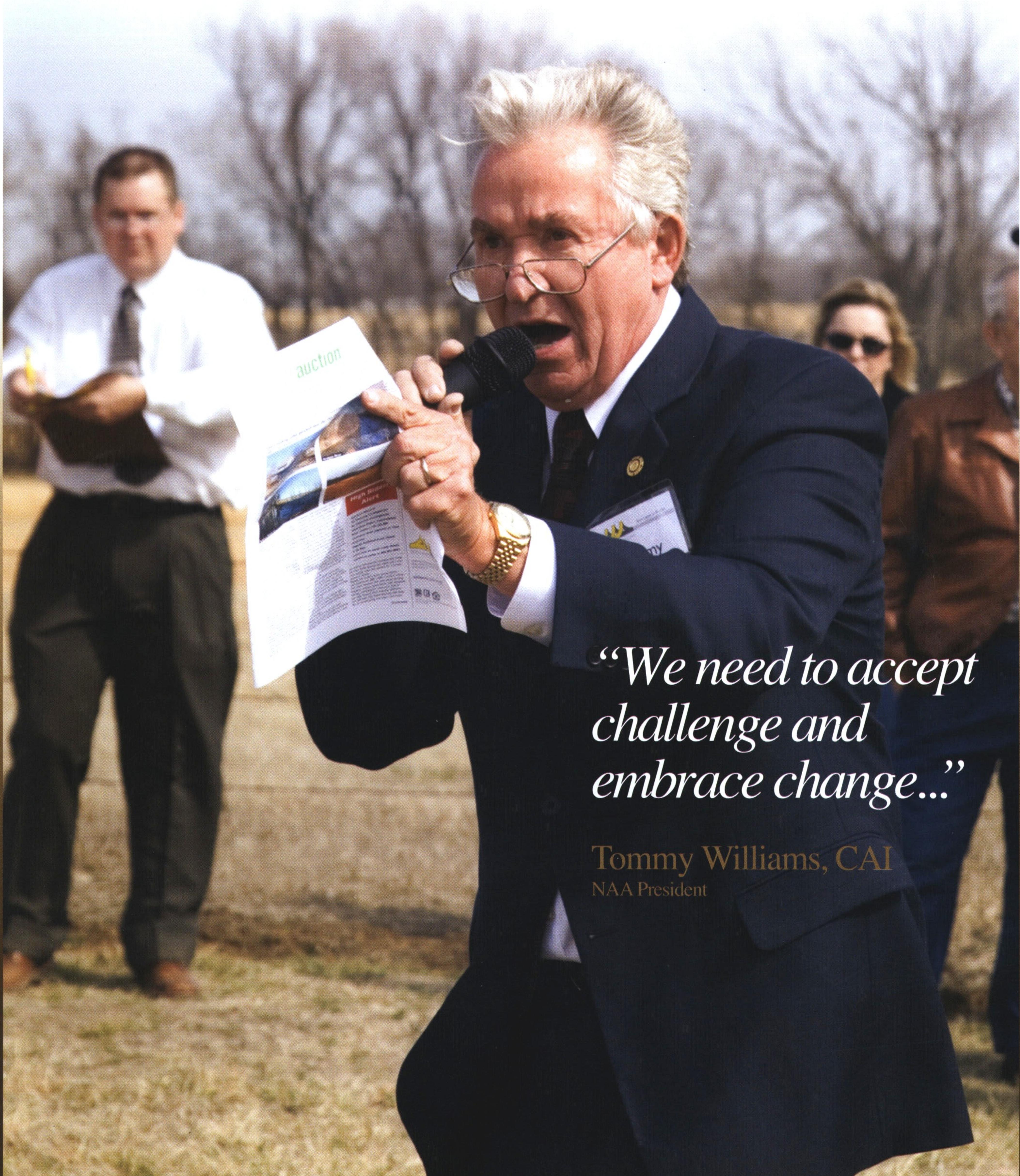


Auctioneer

AUGUST 2007

The official publication of the National Auctioneers Association



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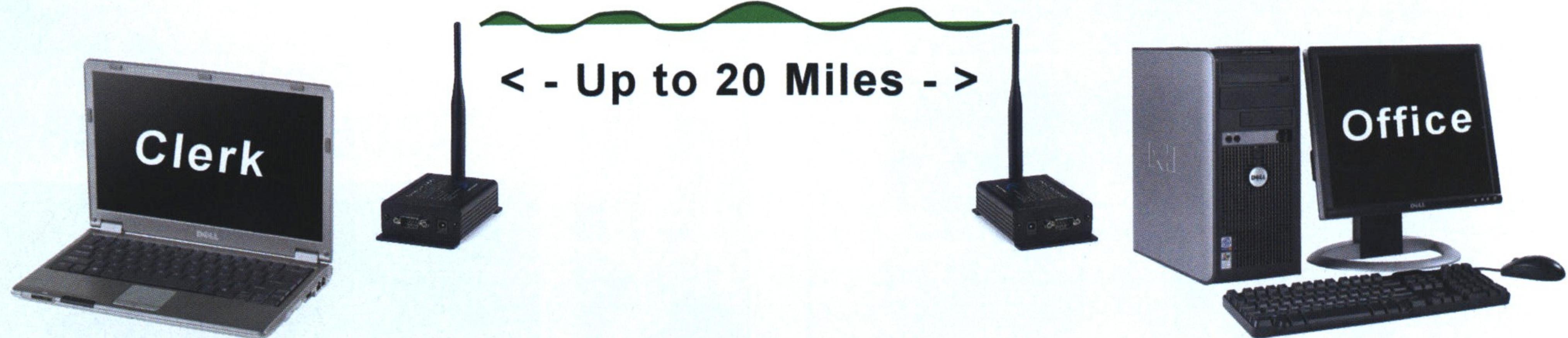


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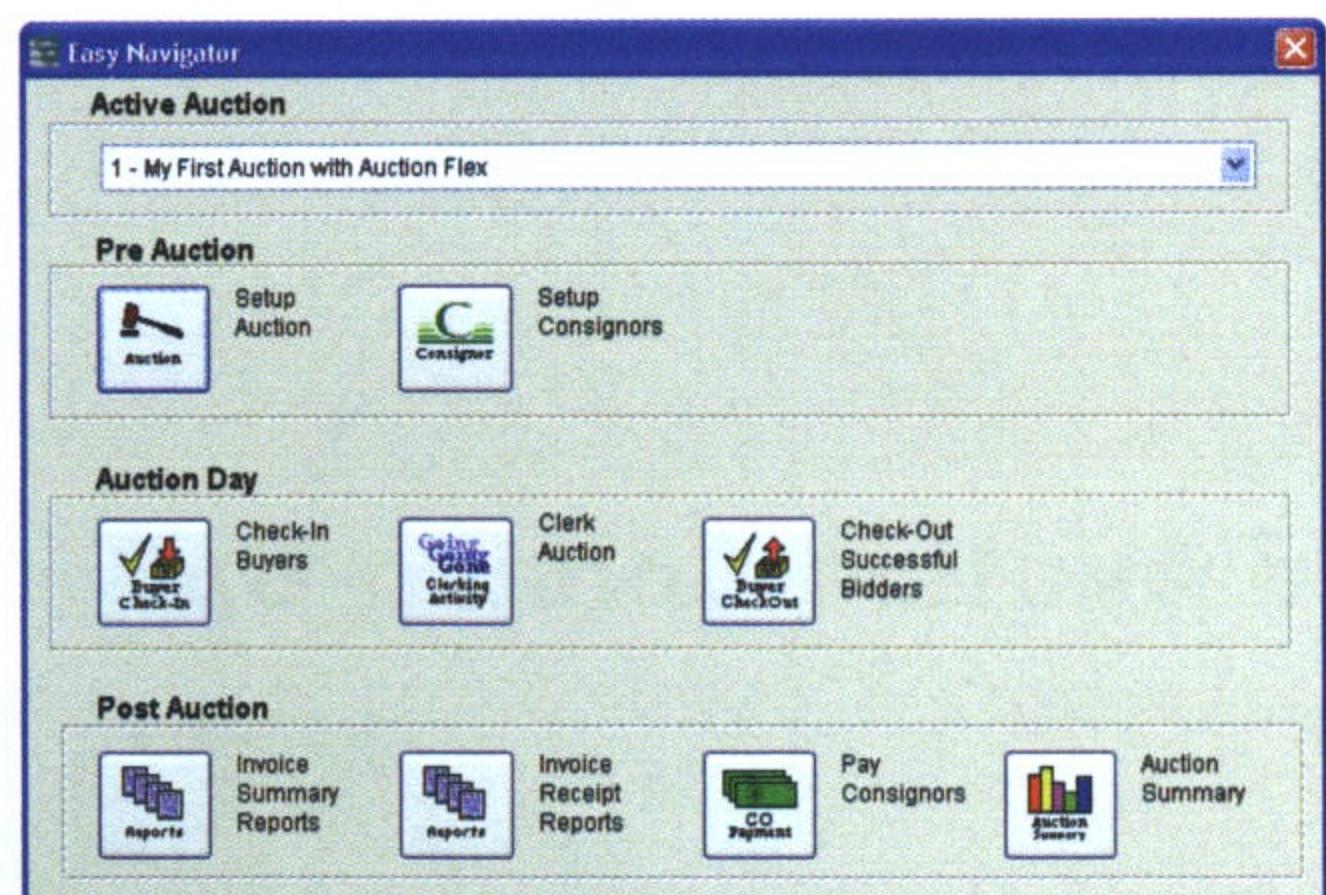


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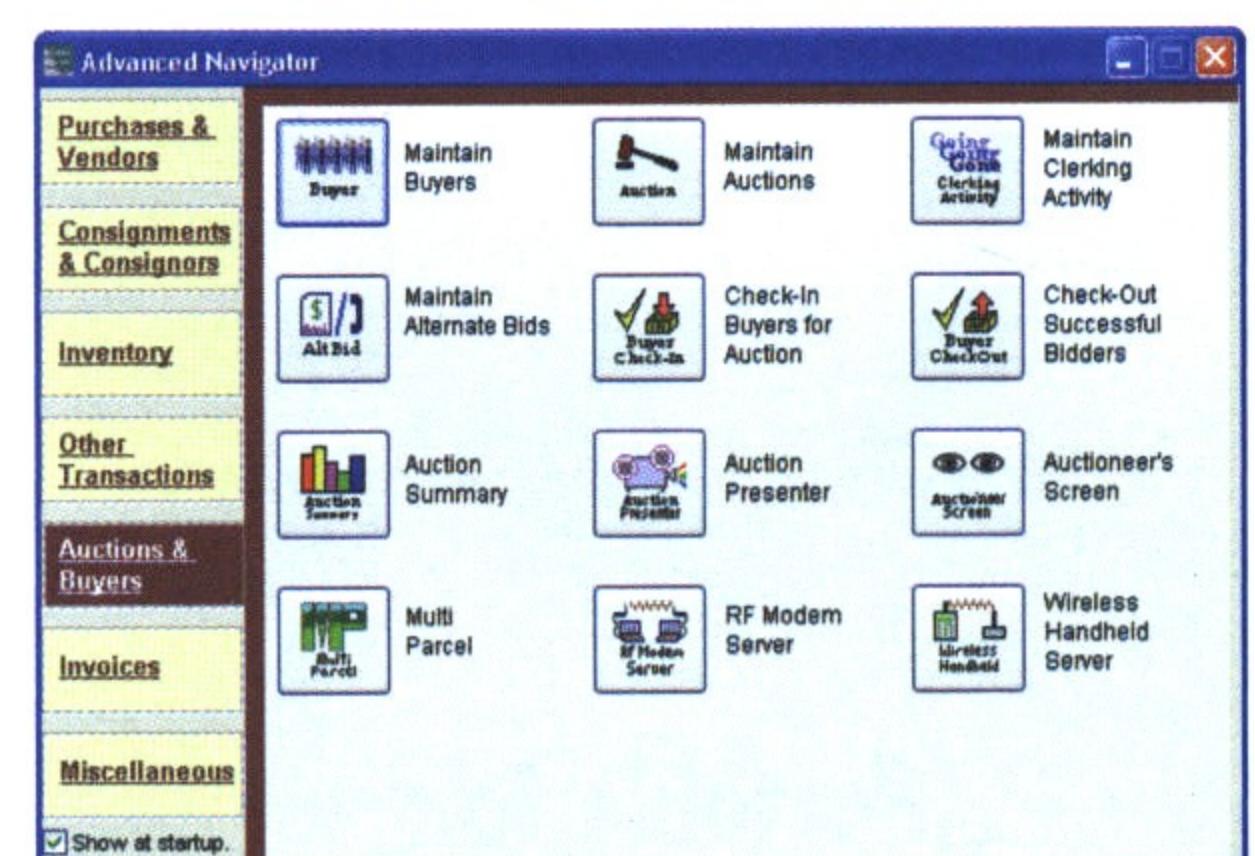
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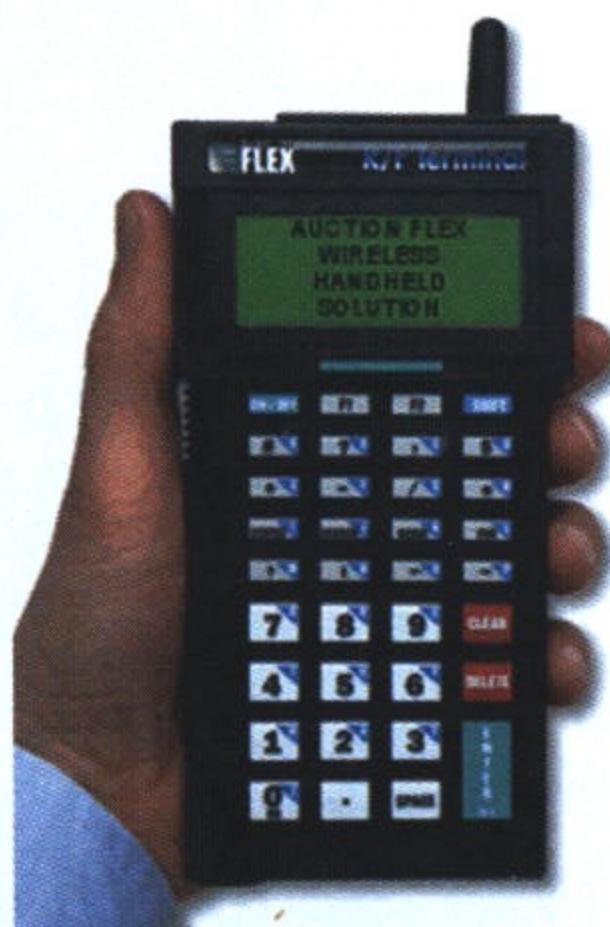
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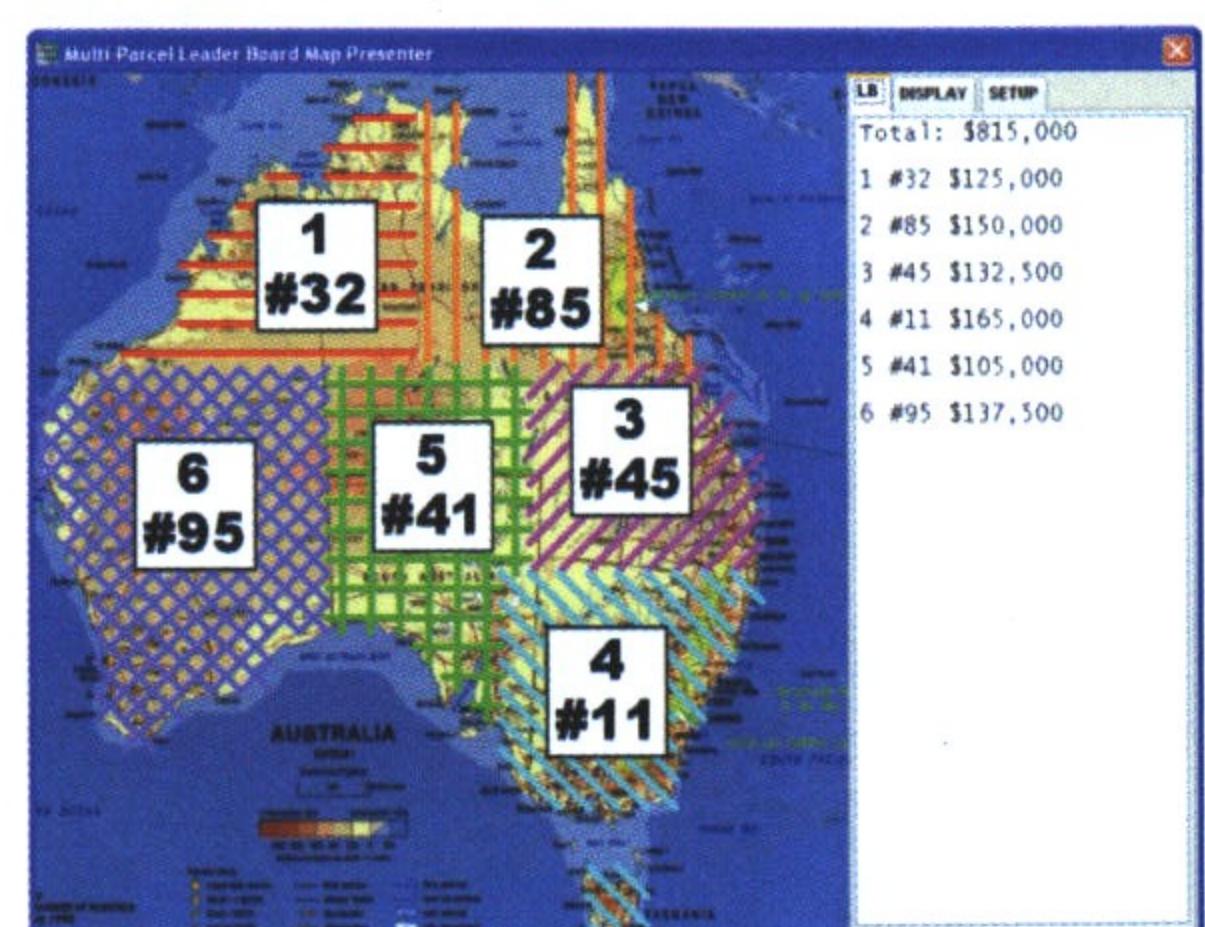


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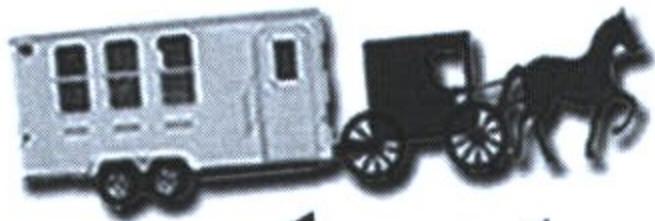
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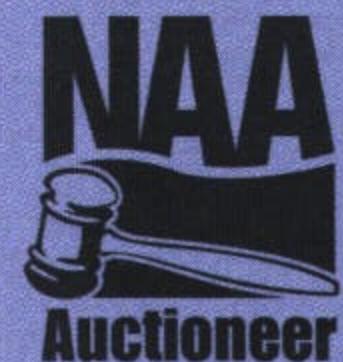
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On the cover

New NAA President Tommy Williams, CAI, of Bixby, OK, has been one of the premier Auctioneers of cattle in the country and believes he is now leading NAA during the greatest period of financial opportunity that has ever existed for Auctioneers. With the growth of real estate auctions and new technologies comes new challenges, he says in this cover story.

Williams grew up working in the Angus cattle industry and graduated from Reppert Auction School at 16. He raised and showed Angus cattle and had three Grand Champion steers in succession. He started his auction career by selling his brother's steer at the Florida State Fair. Read more about his background and goals for the industry in this month's cover story.



Auctioneer

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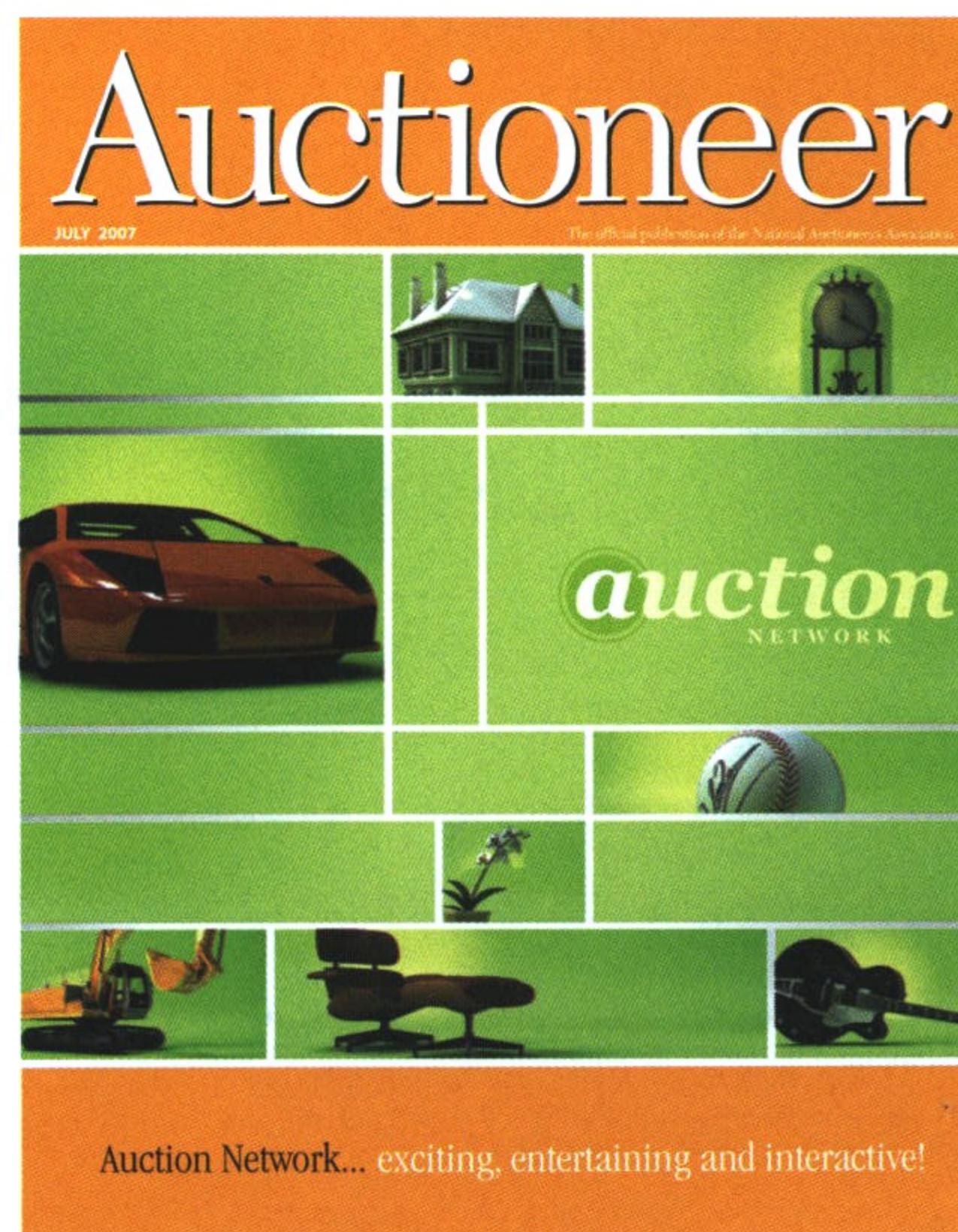


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Real estate auctions in Southeast Virginia

Dear Editor Steve Baska:

You're written recently about real estate auctions. Real estate auctions have never taken hold in southeast Virginia. Occasionally I see Auctioneers hired when settling a deceased estate. Most people I speak with believe they can list their property on eBay and the other sites. They do not see the value in hiring an Auctioneer.

I am in the midst of opening a retail location in Norfolk, VA to promote my auction firm and to offer online sales for all merchandise. I am having some difficulty obtaining business insurance for the retail auction location which is why I logged on to browse the NAA site to see if there are any resources. The auction industry in Virginia needs support from NAA. I see references to an increase in sales on a national basis yet I see my fellow auctioneers conducting fewer auctions.

Some auction houses in the area used to conduct weekly auctions, but have recently scaled down to bi-weekly or monthly auctions. I do not see anyone successfully conducting real estate auctions or online auctions. A few successes were realized prior to 2006, but sales have been flat in 2006 and worse in 2007. Advertisement is expensive. Sellers are reluctant to pay any upfront expenses including the cost to list on eBay. The eBay site does not appear to be a realistic forum for obtaining actual sales. I will know more in the future as the retail location opens.

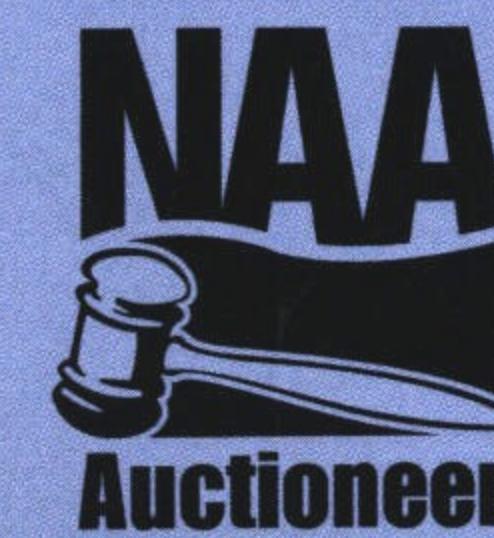
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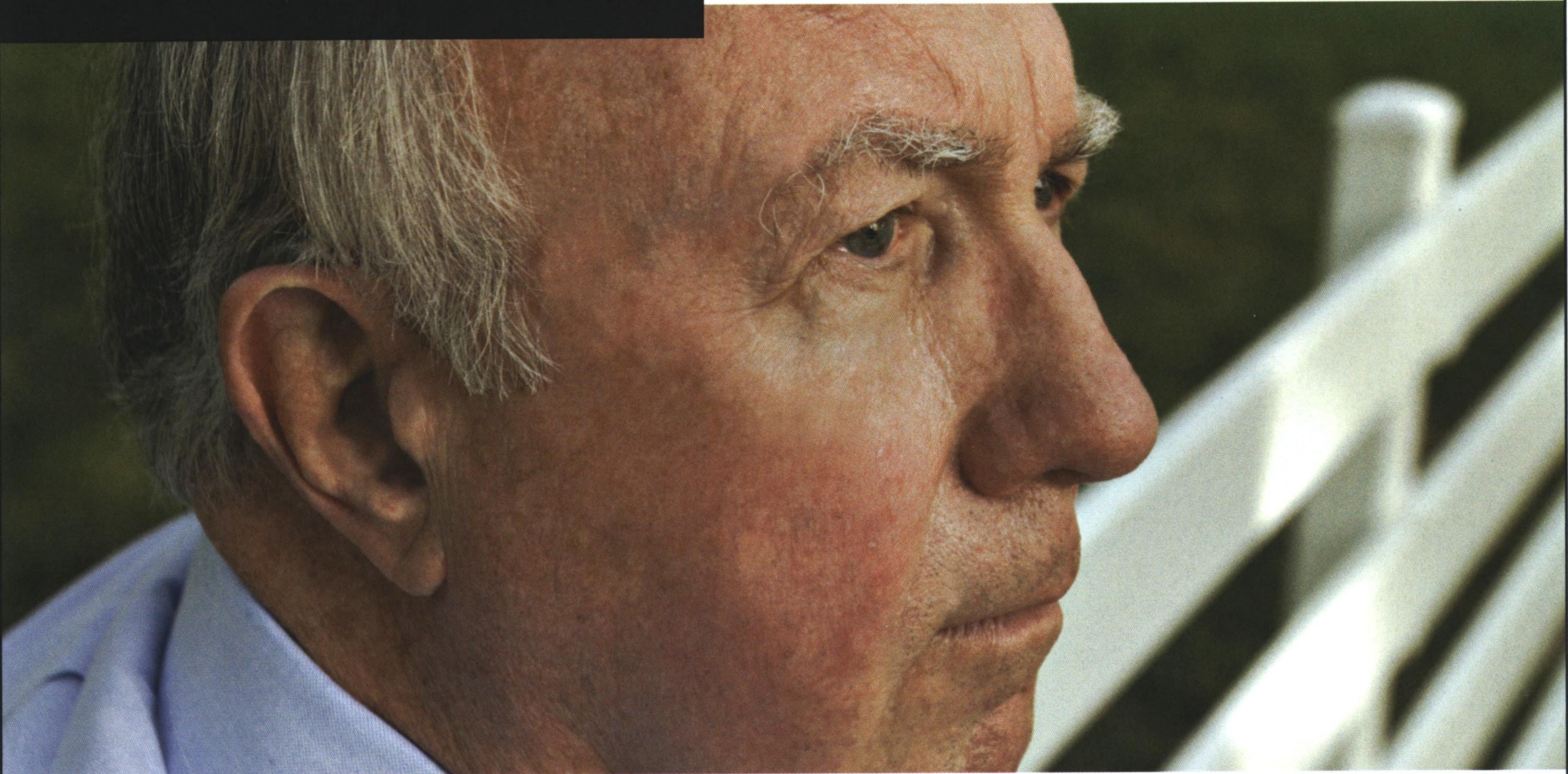
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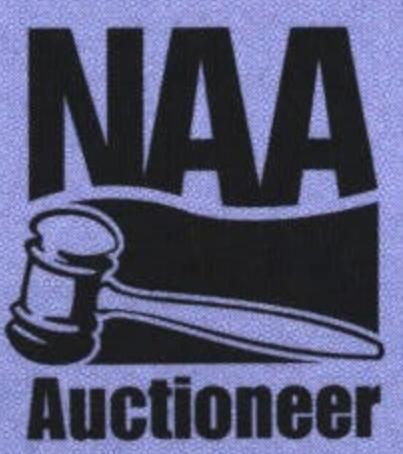
with honesty and integrity. I would recommend Williams & Williams because I’ve witnessed their consistency. The company as a whole is better today than it has ever been. They are making big inroads and real progress in simplifying the process, removing the red tape, by bringing buyers and sellers together quickly and delivering real market value. From farm liquidation to selling a home, they give you more.”





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Director of Accounting
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jlamb@auctioneers.org

Accountant
Judy Hennessy (ext. 35)
jhennessy@auctioneers.org

Carol Bond (ext. 34)
cbond@auctioneers.org

Membership
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aherman@auctioneers.org

Membership Marketing Coordinator
Heather Rempe (ext. 15)
hrempe@auctioneers.org

State Association Executive Services Manager
Trisha Klosterman (ext. 32)
tklosterman@auctioneers.org

State Association Executive Services Manager
Sandra Bunten (ext. 39)
sbunten@auctioneers.org

State Association Executive Services Manager
Nicole Woodard (ext. 27)
nwoodard@auctioneers.org

Publications
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Steve Baska (ext. 18)
steve@auctioneers.org

Associate Editor/Graphic Designer
Ryan Putnam (ext. 30)
ryan@auctioneers.org

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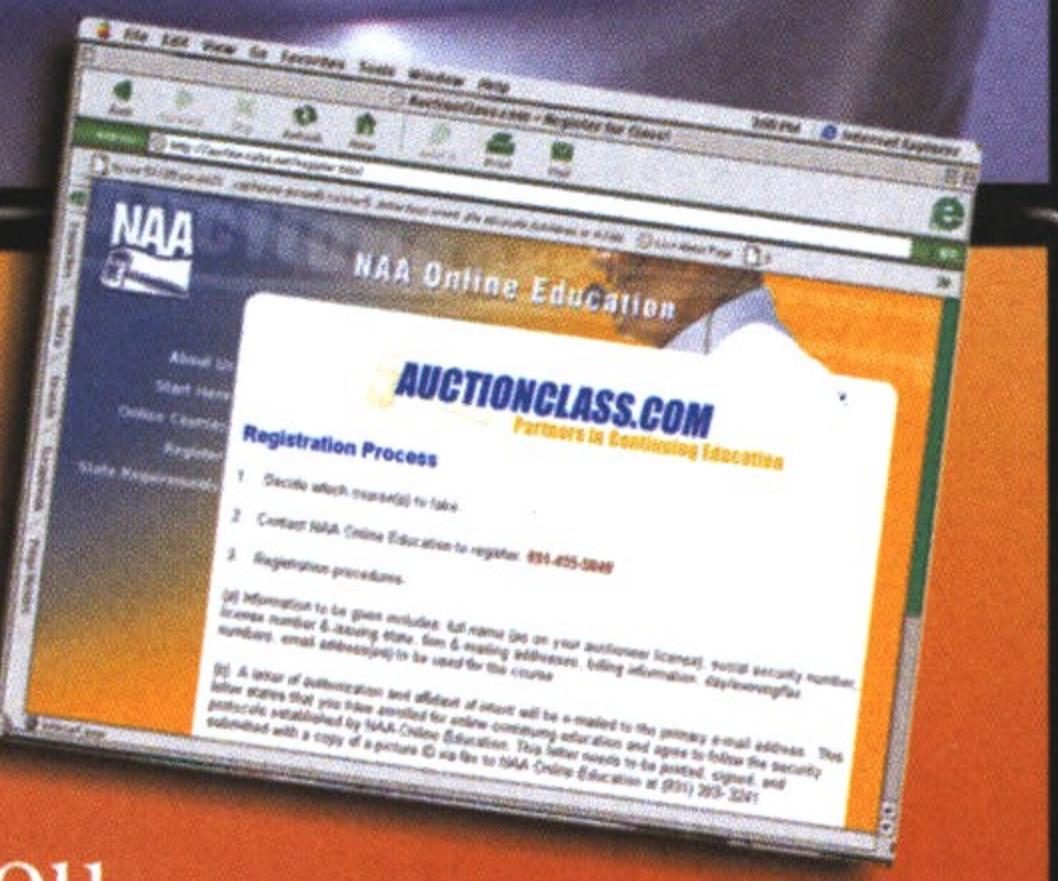
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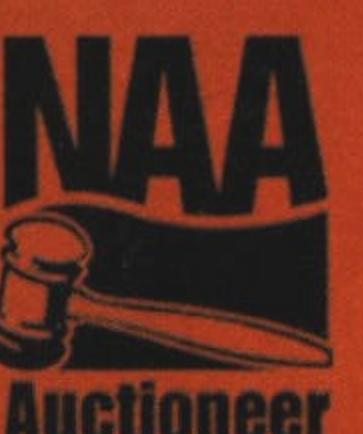


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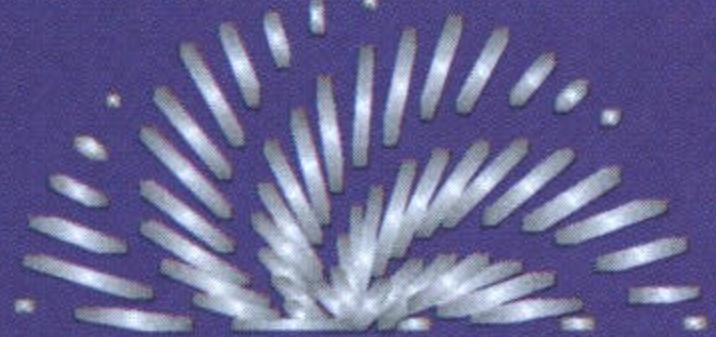
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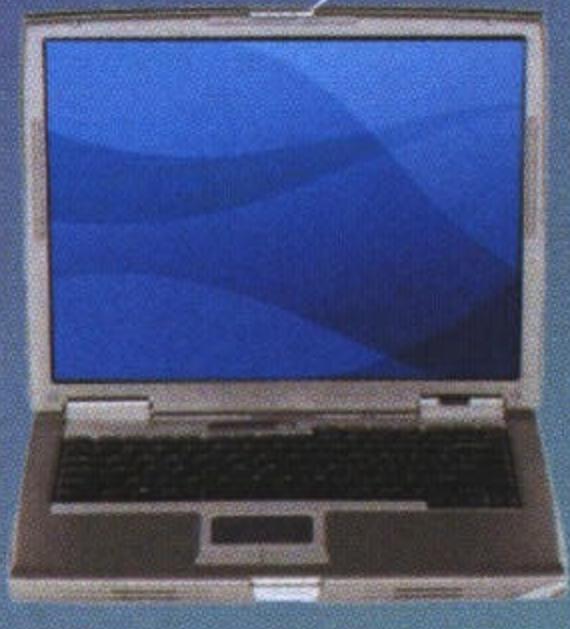
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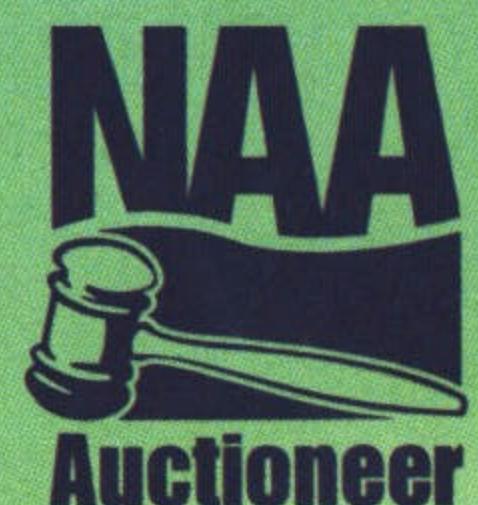
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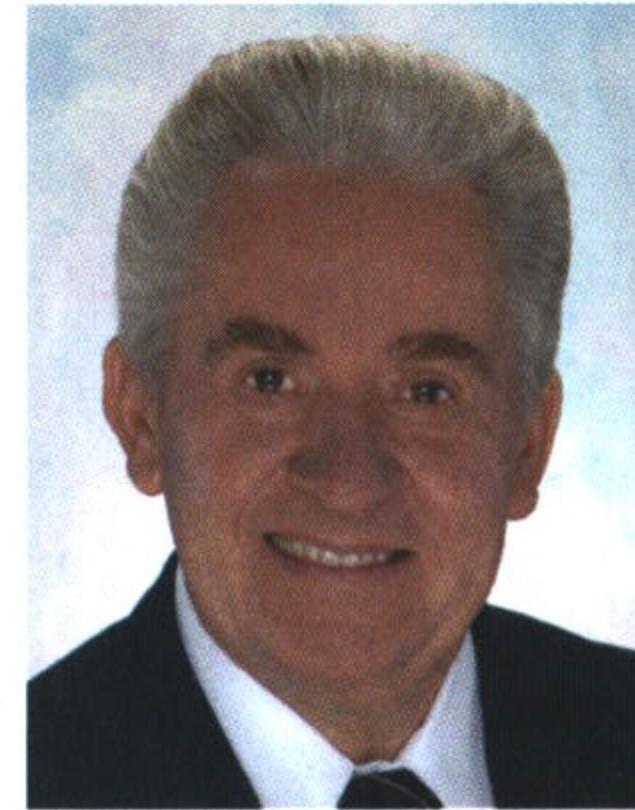
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Accept the Challenge, Embrace Change, Lead the Charge



BY Thomas L. Williams, CAI
NAA PRESIDENT

The role of president of NAA is an awesome responsibility. Auctions are, and have been, a major part of my life since the age of 16. The auction industry has been the financial backbone of our family. In these 40-plus years I have been involved in nearly every facet of the auction industry. The history I bring to this position makes me aware of the magnitude of my responsibility.

The trust placed in every NAA leader to do what is in the best interest of the membership and the industry as a whole can never be taken lightly. I pledge to give each of you my very best effort. Increasing the benefits NAA offers every member and enhancing the professionalism of every auction marketer and their employees is my number one goal.

The quarter-of-a-trillion dollar auction industry merits serious consideration in the business world. We must work together raising the status and understanding of all that come in contact with the many innovative marketing concepts auction marketers offer. The ever-increasing value auctions bring to the world economy is more significant with each passing day.

At the top of this page you will note the vision and mission of NAA. They will appear here as long as I serve as your president. They will be my guides as to where we are going and how best to get there. I sincerely believe they should be the

guiding light of all Auctioneers.

These clear cut statements represent thousands of hours of deliberation and years of thoughtful consideration by the most capable leaders NAA could bring together. They represent no one individual or vision but the pooled vision of over 100 state and national NAA leaders. We can all benefit by keeping these thoughts upper-most in our decision making processes.

No one knows the future; however, I think we can make intelligent calculations of what the future might hold. I feel there are two critical issues we must face individually and at NAA. How we deal with them possibly well dictate our success or failure.

First and foremost we are embarking on the greatest opportunity in the history of competitive marketing. Those that adapt and understand the scope of this opportunity will prosper beyond their wildest dreams. The second is the change and innovation that is occurring in every aspect of our business and it is happening at light speed. The key is not to show fear or animosity to change or innovation, but to embrace it, rising to the challenge it presents.

NAA currently is the leading service provider to the auction industry. Providing the best possible services to the membership in the most economical and efficient manner possible should be our number one focus. Promoting and positioning auction marketing as one of the most important marketing tools in a free market society

*Increasing the
benefits NAA
offers every
member and
enhancing the
professionalism
of every auction
marketer and
their employees
is my number
one goal.*

should be a close second. Raising professionalism with an emphasis on good ethical business practices by auction practitioners is essential. NAA is and should be the world leader in this endeavor.

I have been totally committed to the live auction industry for over 40 years. No one believes in the merits of live, open, out cry auctions more than Tommy Williams. With that being said it is not for NAA or any individual to dictate or promote any particular method of doing the auction business. This applies across the board whether talking about commissions and which side of the transaction should be paying the fees. How auction marketers conduct their business is their business. As the mission statement says, "Live, Internet, sealed bid," or any method of their choosing as long as it is ethical and business appropriate.

Auction marketers represent the American entrepreneurial spirit at its best. Competitive bidding utilized in a capitalistic environment is the definition of free enterprise. It is critically important that NAA, state auction commissions or individual Auctioneers let the marketplace speak as to the merits of each auction marketer's concepts and practices. The market place will be the final judge as to which marketing concepts rise or fall.

Time, as always, will prove the merit or lack thereof for the various entrepreneurial ideas. When you look back with a 65-year hourglass, you realize the marketplace always speaks the ultimate truth. I will agree that sometimes the verdict is slower coming than we like.

Sound business principles

Standing for sound business principles and ethical conduct is a must in every facet of our lives. It is a critical factor for success in the auction industry. I know of no industry where reputation means more. Once again the marketplace, as in the past, will deal with this issue. Unethical and unsound business principles will render a harsh verdict to those that practice them.

The main charge for every state auction commission is to see that their ethics and standards of practice are adhered to. NAA must support their efforts, however we must keep in mind we are not the point of entry for misconduct. The state where the problem arises is the point of entry and that state must be vig-

orous in addressing any problem. In my opinion, states must keep their priorities in order. Their key role is raising the professionalism and ethical standards of their members while enhancing the status of the auction profession. Making business difficult for competent auction marketers should not be a consideration and certainly serves no useful purpose.

In the end, the rise and fall of NAA and the auction profession rests squarely on the shoulders of every individual auction marketer. This is where the rubber meets the road. I ask each individual to commit to raising their personal bar of excellence and demand that from their peers. Real help offered in the spirit of caring and compassion for one another will do far more than criticism. Genuinely offering assistance and knowledge to your strongest competitor will help make every auction the best it can be.

Communication, or the lack thereof, is a critical element in every human endeavor. Wars are fought and families are alienated all over poor communication. A high priority for me is to make every member feel they have the access to NAA and our ongoing thought processes. In my opinion, statements made without the availability or access to all the pertinent facts, however sincere, can be the single biggest negative influence on an organization like NAA.

In an effort to make communication with me easier, we are launching an innovative idea. I hope you agree and participate. I will be available live on the Internet the first Tuesday of every month for open dialogue with any member. I intend to discuss the current issues facing NAA on this page every month. Please remember I am only a phone call away from any member. My phone number and email address is in the directory and on the top of page six in this magazine.

It is an honor and privilege to serve as your president. I look forward to visiting with each of you. Let's share our thoughts.

Sincerely,

Thomas L. Williams

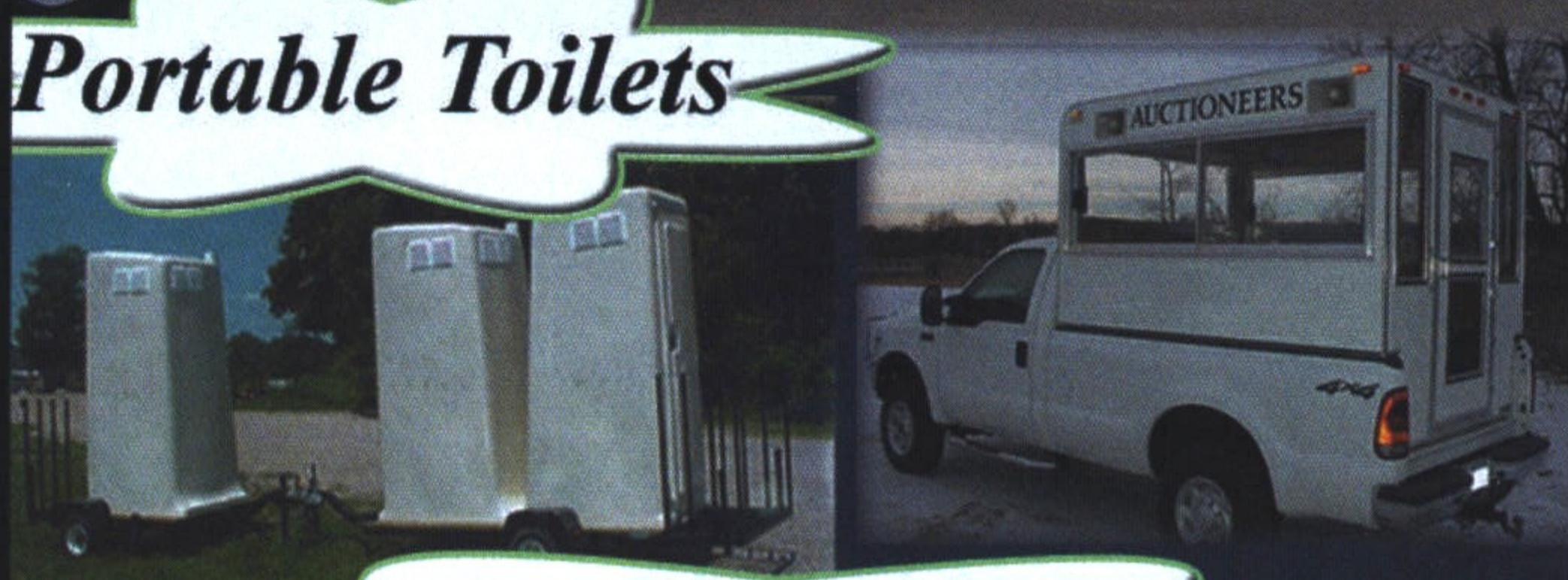
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August, 2007

September 18-19, 2007

New Hampshire

NAA Headqtrs.

301 Antiques & Residential Contents

September 20-21, 2007

December, 2007

NAA Headqtrs.

Tucson, AZ

301 Manufacturing/Process Equipment

September 20-21, 2007

December, 2007

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Tucson, AZ

301 Construction/Agricultural Equipment

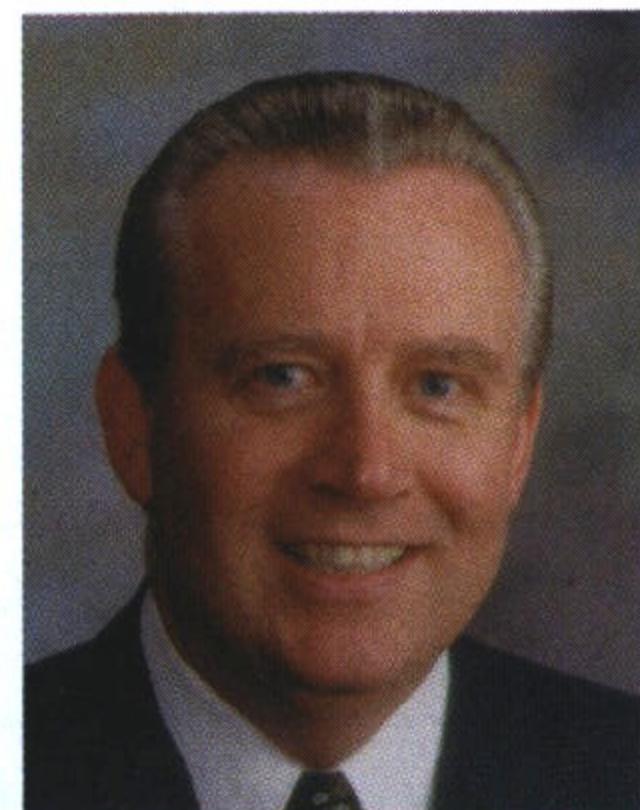
September 20-21, 2007

December, 2007

NAA Headqtrs.

Tucson, AZ

Are you interested in bringing NAA Education to your area? Call 888.541.8084, Ext. 28
Check the NAA website for changes and additions.



Sometimes it's fun to get lost!

CHIEF EXECUTIVE OFFICER ROBERT A. SHIVELY, CAE, WORKS OUT OF THE NAA HEADQUARTERS IN OVERLAND PARK, KS. HE IS COMMITTED TO THE NAA AND ITS MEMBERS AND WILL KEEP YOU UPDATED ON THE ORGANIZATION'S PROGRESS.

"You find your way through a place by getting lost in it."
-- Anthony Doerr (*Four Seasons From Rome*)

This quote above is so true, isn't it? In this era of Google maps and global positioning satellite devices, your chances of getting lost are dramatically reduced.

And that is a shame. Some of my best memories resulted from taking a wrong turn or encountering an unexpected detour that diverted me from my chosen path.

Given that we can almost always know where we are at and what we need to do to reach our final destination, the sheer joy of discovery is less likely to occur. So we will need to condition ourselves to be more aimless in our movement, more curious in the turns we take and the choices we make, more random in how we go forth on our journeys.

This past fiscal year NAA made some turns without a specific roadmap, but with the agreement and consensus of our leaders -- the NAA board of directors. These included exhibiting at the National Associations of Realtors convention, hosting the first Lobby Day in Washington, D.C., working with our legislative and legal counsel on issues at both the state and federal levels affecting our industry and profession, hiring an NAA staff member that could handle both government affairs and public relations, holding onsite NAA member committee meetings for government affairs and technology, doing extensive rewrites of NAA's education designation programs, supporting the NAA president in furthering and strengthening the relationship between NAA and the National Association of Realtors, just to name a few.

While these specific initiatives for the most part were unbudgeted, they provided value to NAA's membership, the industry and profession.

There was no roadmap for these, but rather a vision that provided value for NAA and its members, and it was the right thing to do. It is called leadership and investment! NAA did not lose its direction; it is simply creating new roads!

The NAA board understands the need to be flexible and adaptive to new ideas and opportunities that arise, just as many of you members are flexible in your auction businesses. NAA leaders closely examine and control the costs of new programs like these mentioned, but the leaders are willing to pursue things of expected great value. They don't reject good ideas just because these new opportunities have not been budgeted far in advance. We find a way to make these programs work.

This is not meant to downplay the importance of following a business plan and a budget. Planning is extremely important to NAA. But, just like an experienced actor on stage, you have to be willing to improvise when situations arise, while your actions remain guided and based on your script and rehearsed plan. Some of the best discoveries (and moments in film and stage) have come in the improvisation.

How are you being flexible to follow new roads in your business? Do you see new opportunities -- changes in the market or methods -- and test them out? Do you encourage your staff to do the same?

If we are unwilling to drive down a new road, we miss tremendous chances for business and personal success. Sometimes it's fun to get lost for a short time and find our way back again!



ASHLEY L. HERMAN IS
NAA'S DIRECTOR OF
MEMBER AND STATE
ASSOCIATION SERVICES

Opening the door to free publicity

Have you thought about the positive impact of free publicity for your company in local newspapers, television and radio stations? It's sometimes much easier than you expect to get local media to do feature stories about your upcoming auctions or your business in general. NAA has two sources to show you exactly how to pitch stories to the media and to ensure, as best you can, that a favorable story will be the end result.

One source is the Media Relations Guidebook, a 33-page paperback booklet sent to all new members of the NAA in their New Member packet. This handy "how to" booklet explains the basics of how to write a news release, how to develop a relationship with your local business reporter and editor, how to conduct yourself in a media interview, and many other valuable topics. The text of this booklet is also available, by topic, on NAA's Website, www.auctioneers.org. Go to the Members Only section (sign in with your login and password), then look on the left side panel toward the bottom for the link title PR Toolkit, click on that and next you will see a list of topics, including "sample press releases" and "Q and A to Prepare You for Media Interviews."

For example, news releases should be double-spaced, typed on white paper with your business letterhead. You can deliver the news release in person to your local editor and use this meeting as an opportunity to establish a professional relationship. Additionally, you can share with the reporter or editor that auctions are a hot topic now for business stories across the country due to the growth of real estate auctions as well as other unique niches. *The Wall Street Journal*, national nightly news shows and other well known media outlets are covering auctions.

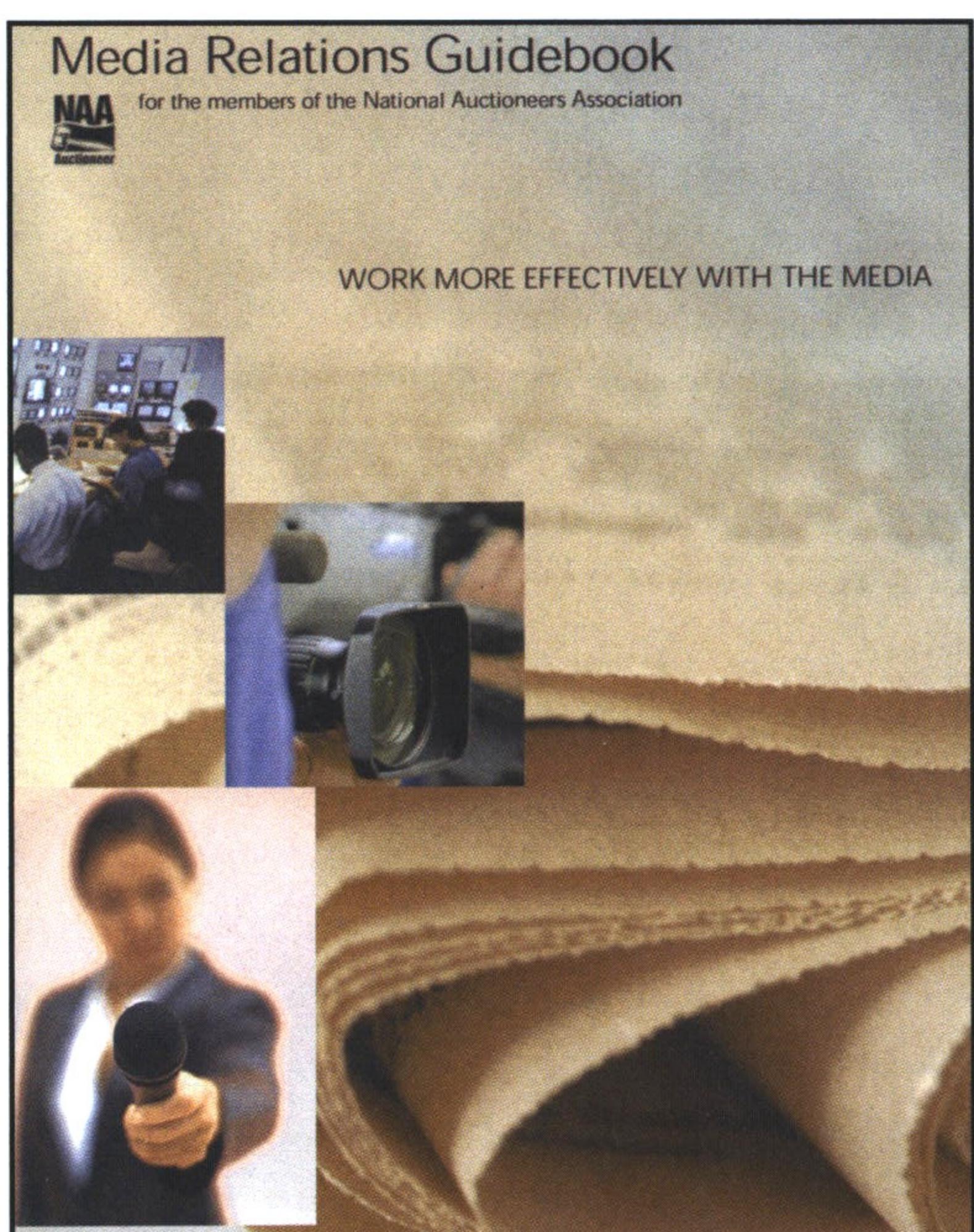
Remember that reporters in every medium are always looking for stories to fill space and air time, but they seek certain types of stories. In a business story, they want topics of wide appeal; the unusual, the trendy, anything that has an angle to popular culture or personal benefit to the average viewer. The media is not interested in only promoting your routine business events. Think about what you do that is different. Are you selling a piece of unusual art or perhaps a piece of real estate that is highly visible or important to the community?

Charles A. Dana, who ran the *New York Sun* from 1969 to 1987, defined "news" as "Anything that interests a large part of the community and has never been brought to its attention before." This is good advice. Another area of growing popularity within media coverage is charity auctions or auctioning certain items for charity. So are the processes of conducting online auctions simultaneously with your onsite auctions: that blends technology with traditional methods.

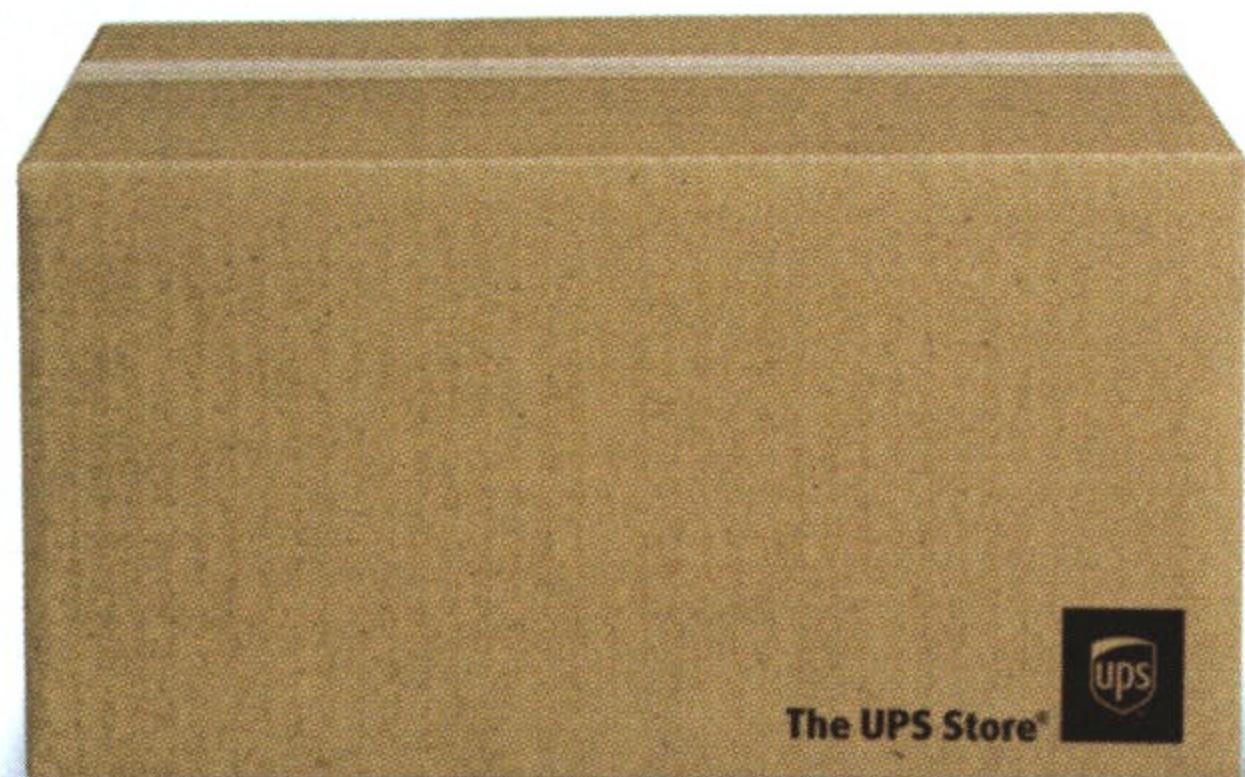
Lastly, be sure to include your contact information (phone numbers, email address, fax, etc.) when you send out news releases. More importantly, be patient. Sometimes nothing may happen for months, and

then a call will come from a reporter wanting to feature your company. Many NAA members have found that sending out auction news and cultivating relationships with local media is well worth the time. "You can't buy the kind of free publicity and public attention a good feature story provides," the experts say.

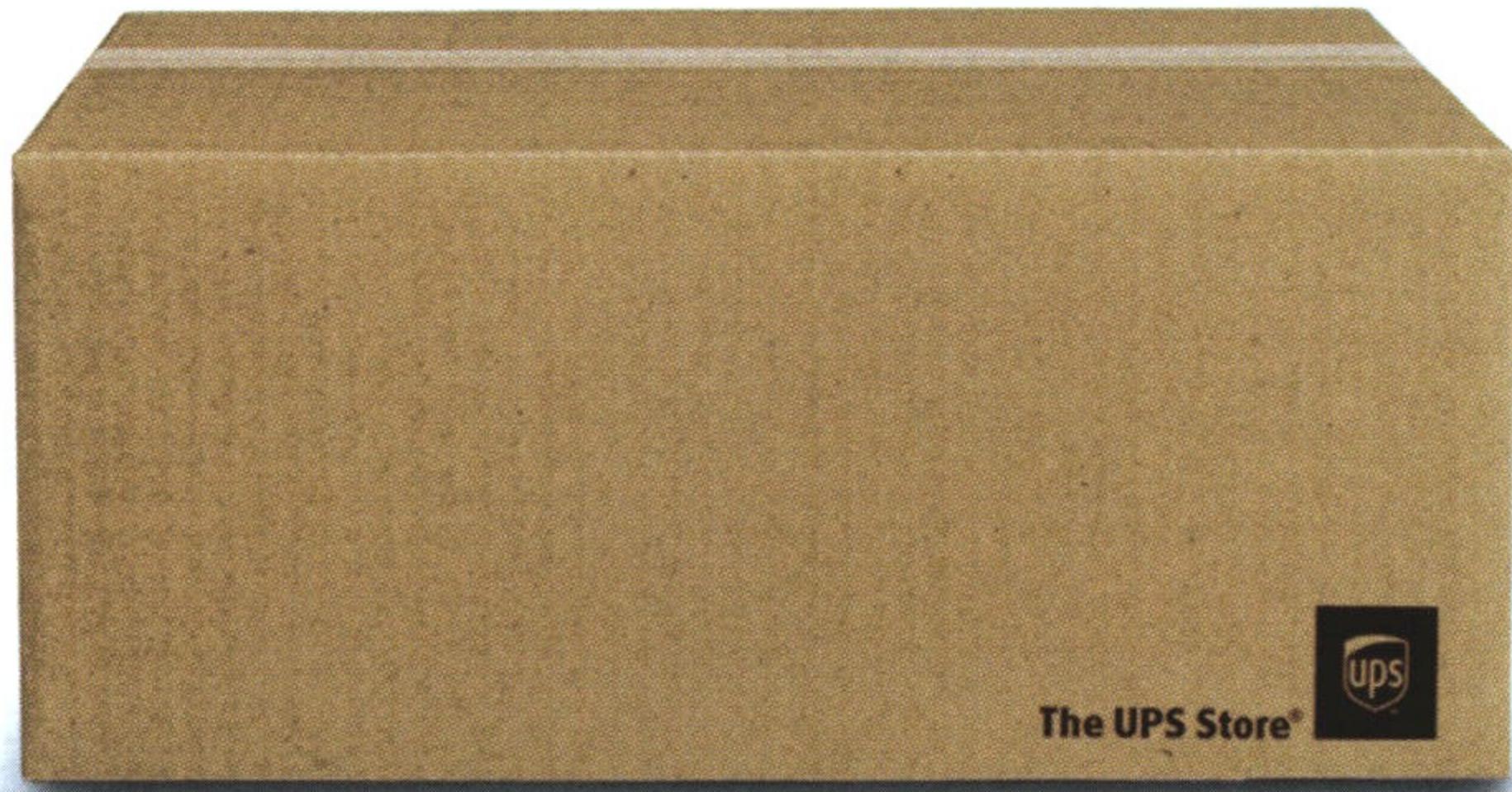
So, let NAA help you grab some of that free publicity. Use your Media Relations Guidebook and the NAA Website.



The media relations guidebook and Website advice can bring publicity.



Phonograph with horn

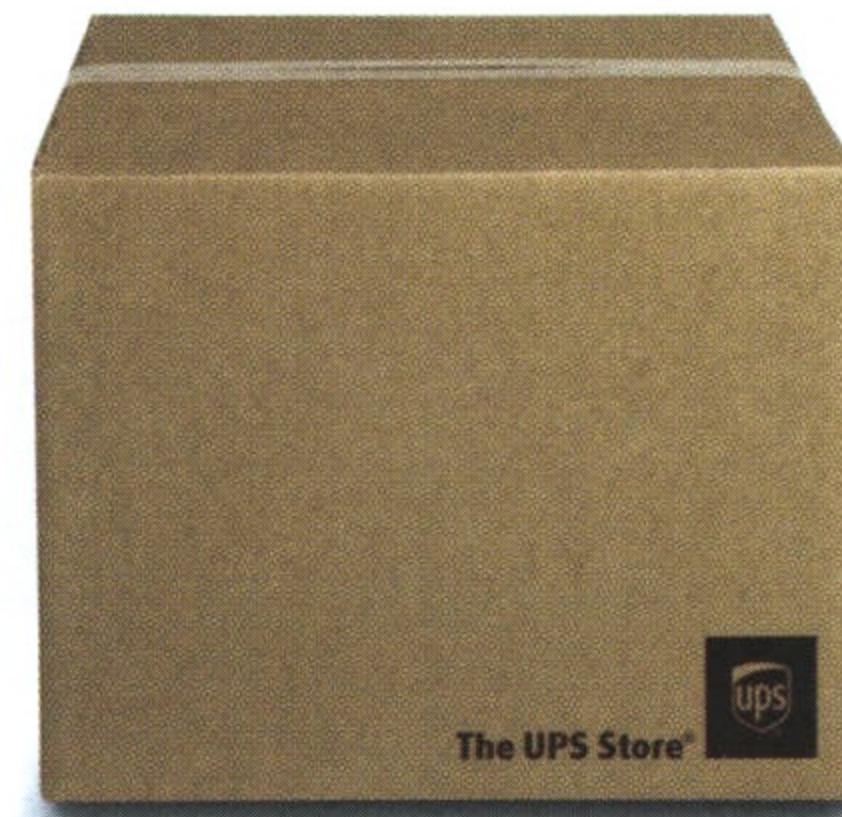


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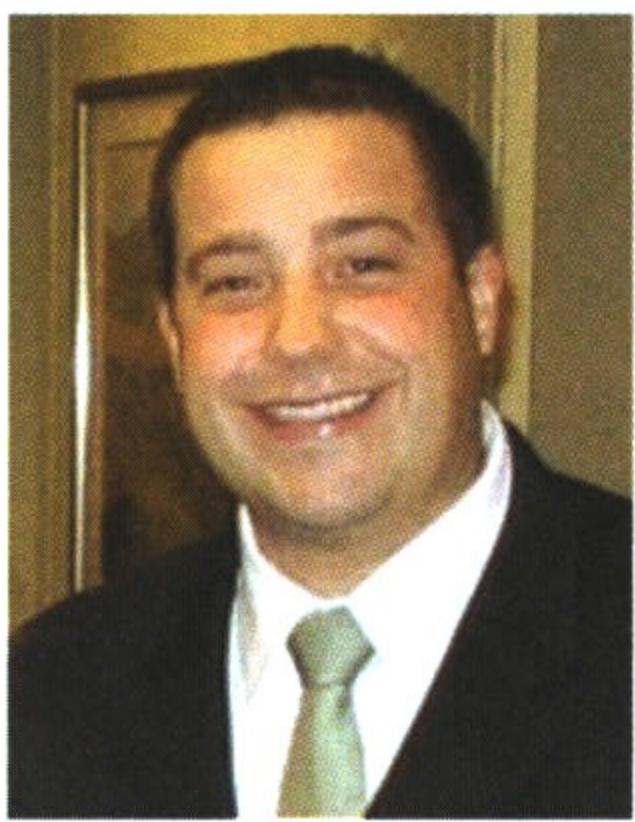
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NAA'S PUBLIC AFFAIRS
MANAGER OVERSEEING
GOVERNMENT
RELATIONS AND
PUBLIC RELATIONS

We anticipate that this legislation will move forward in the 2008 session and it is essential that Auctioneers in these states actively engage their legislators in opposition to this legislation.

Sine Die

Latin for “without day”, sine die is a term commonly heard this time of year with legislative sessions adjourning for the year.

With an average of 1,000 bills being proposed and debated each legislative session, in this month's column we will review a sample of bills proposed this year in state legislatures across the country that impact the auction industry.

The majority of legislation proposed this year centers around updating license requirements and establishing auction license laws. Seven states considered this legislation, which ranged from requiring fingerprints for Auctioneer licenses in Florida, to establishing auction license laws in Alabama, Michigan, Connecticut, New York and Oklahoma. While Michigan successfully passed its auction license law, the remainder of the license bills finished the session in committee and will move forward next session or die in committee.

As the Internet auction market continues to grow, more and more states are considering legislation that limits or increases licensing requirements for online trading house businesses. In 2006, the Louisiana legislature established a precedent by enacting legislation exempting these businesses from licensing requirements. Maine and New Hampshire followed suit this year and passed similar legislation this year.

The NAA is opposed to this legislation due to its limiting of consumer protection and safety standards, as well as establishing an uneven playing field for the profession. We were pleased to see that the Illinois legislature passed, and the governor signed into law, legislation that requires Internet storefronts to obtain an Auctioneer license this session.

Legislation proposed this year that concerned the industry included potential increases in business reporting, as well as bans on certain types of auction sales. Virginia's Senate Bill 653 would require secondhand dealers to report their daily transactions to local law enforcement officials. The General Court of the Commonwealth of Massachusetts is currently considering House Bill 316 which prohibits Auctioneers from adding a “buyer's premium” to a winning bid.

Finally, Maryland's House Ways and Means Committee is currently reviewing H.B. 448 which alters the definition of “taxable service” to include “auctioneering” and requires a sales tax on the commission of auction services. At this time none of this legislation has passed and remains in committee. We anticipate that this legislation will move forward in the 2008 session and it essential that Auctioneers in these states actively engage their legislators in opposition to this legislation.

There were several pieces of legislation proposed this year that assist auctioneers and their businesses. Kentucky's House of Representatives proposed legislation that makes writing a bad check at auction a punishable crime. The Tennessee General Assembly and Governor Phil Bredesen enacted a law which allows auctioneers who have been denied payment for services provided, the right to place a lien for such work upon the property that the Auctioneer was hired to auction. Finally, Oregon's legislature is considering H.B. 2663 which allows auctioneers to auction real estate without a real estate license.

To review auction related bills proposed during the 2007 legislative session, visit the NAA's Government Relations “Bill Tracking” website and click on “See State Leg. Bills.”

Auxiliary unveils new website, moves forward with grace

With the good times and the great memories that were created at the 58th International Auctioneers Conference and Show in San Diego last month, the Auxiliary to the NAA will embrace its members with gratitude for their dedication to remember the past and those that brought this organization to a start 56 years ago. The reflection of that work has brought us to the future.

As the Auxiliary to the NAA, we have made the Scholarship Program, and the Auxiliary Luncheon and Fun Auction a huge success. Through this process we were able to provide all the recipients of this program a jump-start on their educational future!

We are an organization with a vision and a mission that will continue to strive forward with each and every step. We have a dedicated board willing to work towards that vision, each giving of their time, and attending long-range planning meetings outside of our normal board meetings at Conference and Show, at their own expense. This says a lot about who we are and where we are going as an organization.

The need to offer more education for the support staff and a new Auxiliary website

was a vision that came out of the long-range planning meetings. For the first time, we have our own web site, www.naaauxiliary.org, that was presented to the members in San Diego at the conference. A big thanks to our Past President Sharon Huisman who worked very hard to bring this to you in time for the conference. Our new Auxiliary website will serve as a tool that can be used to post Auxiliary updates, as well as questions and answers from our members. This will be an informative tool that can be used by all Auxiliary members.

Over the years we have formed a strong alliance with the NAA Education Institute Trustees and the NAF, working collectively to ensure a stronger foundation for our future. In March of 2006, members from the Auxiliary Educational Committee met and presented to the NAA Educational Institute Trustees a proposal to write two new programs to be offered at the 2007 Conference and Show. These programs were "Customer Service" and "Cashiering Tricks and Tips" that are geared toward the Auctioneer Support Staff. They were written by and taught by three of your Auxiliary members: Barb Ruhter, Jane Aumann and myself. These two programs were presented at the conference last month.

My agenda as your president is to form an Educational Council to work alongside the EI Trustees. This panel will help promote, and write a variety of curriculum for the auction support staff that would be offered at state conventions and possibly at Conference and Show.

The Auxiliary will continue to work hard to meet the needs of our members, give support to the NAA, NAA Educational Trustees and the NAF. We have moved through the years with grace and strength, and with that grace and strength we have brought this organization into the future.



AUXILIARY PRESIDENT
ANNETTE WELLS, BAS, AND HER
HUSBAND, AUCTIONEER RANDY
WELLS, CAI, AARE, BAS, GPPA,
CES, OF POST FALLS, ID, OPER-
ATE REALTY AUCTION SERVICES.

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Annette Wells - President
(208) 771-0404
annette@mrauction.com

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(336) 789-2926 ext. 104
deidre@rogersrealty.com

Ramona King - Secretary/Treasurer
(828) 684-4273/ (828) 684-6828
ramonaking@bellsouth.net

Glenda McCarter Johnson - Historian
(865) 453-8417
gmjonsn@bellsouth.net

Terms ending in 2008:
Lois Daniel
(434) 577-2971
danielauction@telpage.net

Susan Hinson
(731) 664-1159
rhinson@mindspring.com

Nancy Manning
(903) 883-0314 / (972) 881-6004
bandn@netportusa.com

Terms ending in 2009:
Lou Blocker
(843) 844-2770 / (843) 538-2276
jgbauction@lowcountry.com

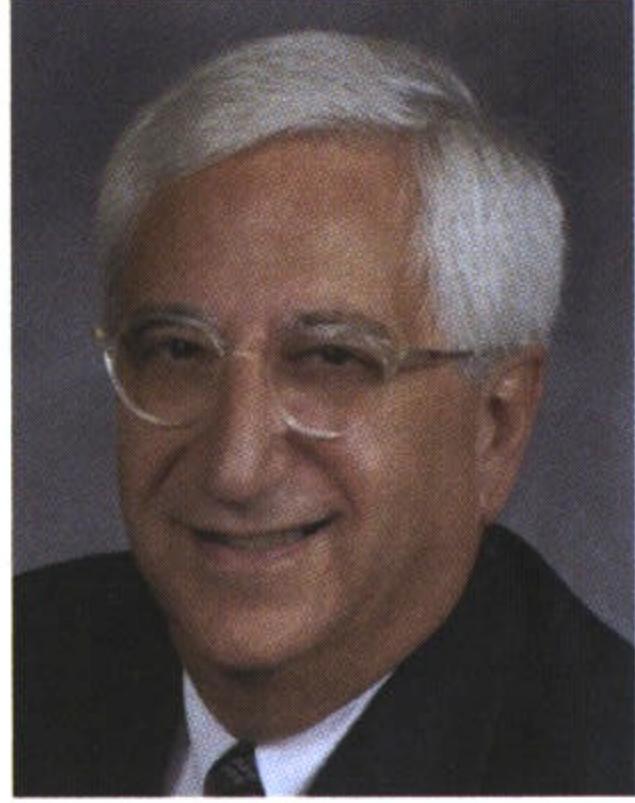
Teresa Christy
(317) 885-9044 / (317) 784-0000
info@christys.com

Kim Ward
(630) 556-3648
kward@mchsi.com

Terms ending in 2010:
Darla Haynes
(405) 376-2928
haynesgg@aol.com

Vicki Nitz
(402) 727-8800
jaynitz@omni-tech.com

Terri Walker, BAS, CES
(901) 384-9992
terri@walkerauctions.com



DR. HARLAN
RIMMERMAN IS
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EDUCATION FOR
THE NATIONAL
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ASSOCIATION

NAA EDUCATION INSTITUTE TRUSTEES

Renee Jones, CAI, BAS, CES - *chairman*
(940) 665-1898
renee@npsolutions.com

Jack L. Christy, CAI, BAS, CES, GPPA - *vice chairman*
(317) 784-0000
info@christys.com

Trustees
Terms expiring 2008:
Jere Daye II, CAI, AARE, GPPA-M
(800) 433-1694
jeredaye@bellsouth.net

John Dixon, CAI
(770) 425-1141
john@johndixon.com

Terms expiring 2009:
Renee Jones, CAI, BAS, CES - *chairman*

Jack L. Christy, CAI, BAS, CES, GPPA - *vice chairman*

Terms expiring 2010:
Scott Shuman, CAI
(217) 352-6078
scott@westchester-group.com

Kurt Aumann, CAI
(217) 563-2523
kurt@aumannauuctions.com

Terms expiring 2011:
Barbara Bonnette, CAI, AARE, GPPA
(318) 443-6614
barbara@bonnetteauctions.com

Mark Shear, CAI, AARE, CES, GPPA
(508) 753-2549
mshear@barmanauctions.com

NAA Board Representative
Scott Musser, BAS
(509) 735-4278
ssmusser@mbauction.com

It's back to school time

August is the month that parents start buying school supplies, college students start packing to head back to college, and the NAA Education Institute starts implementing its academic year.

The 2007-08 year will feature many new and exciting education events. After just completing the highly-successful 2007 Conference and Show last month, the committee that is planning the 2008 Conference and Show in Nashville, TN will meet later this month to start planning another exciting educational program. Do you know an exciting and dynamic speaker who we may invite? Please give me a call with any contact information that you might have. We want to make the 2008 Conference and Show one of the best.

Many designation and seminar classes are scheduled. Starting this month, there will be a Certified Estate Specialist (CES) class in Sacramento, CA, then a Graduate Personal Property Appraiser (GPPA) class at NAA Headquarters in September, followed in October with a Benefit Auctioneer Specialist class in Denver, and another CES class at Headquarters. We also will be offering the seven-hour USPAP update course in Massachusetts on the 15th. During November, watch for another BAS class in St. Augustine, FL, and a GPPA class in Indiana, and an Accredited Auctioneer of Real Estate (AARE) in San Antonio from November 4 to 9.

The Winter Seminar will undergo a major change as we move the seminar to the home of the Certified Auctioneers Institute (CAI), Indiana University at Bloomington. For those who have never experienced CAI, this will be a great opportunity to see what Indiana University is all about. For those with the CAI designation, the Winter Seminar will provide an opportunity to come back to Bloomington. This year we have two tracks, one on physical fitness and health and another on human resource issues. The dates for the Winter Seminar are December 9-11.

For those who enjoy a winter resort setting, the Winter Symposium will be held at Lake Tahoe on January 27-30, 2008. Join the group for outstanding education sessions as well as opportunities to enjoy the winter activities offered at this beautiful resort.

The winter never slows education down. In January, a BAS class will be held in Columbia, SC, as well as a CES class in West Virginia. A designation class will also be scheduled for Minneapolis, MN. Watch for additional classes as we continue to fill our calendar.

March is CAI month. This will be the 32nd year. At the printing of this magazine, enrollment numbers are already ahead of last year. If you have ever thought about going to CAI, this is your year. Thanks to the diligent work of the CAI committee, the curriculum of CAI is stronger than ever. There are also new education and social opportunities. The dates are March 16-21.

Watch for locations and dates of our designation courses as well as the Auction Administrator and Auction Manager Certificate programs.

The NAA Education Institute is committed to bringing our members the best in educational courses and seminars. If your state would be interested in having a designation course or certificate program made available, please contact the NAA-EI office at (888) 541-8084, extension 19, 23 or 28. Also, check out Schedule At A Glance on the NAA website at www.auctioneers.org.

NAA Learning Center

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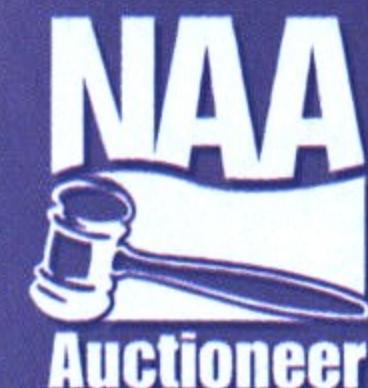
Valuable Education Material
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View Anytime

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Convenient and Easy-to-Use

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The NAA Education Institute now has available valuable seminars and Conference and Show educational programs as well as the International Auctioneers Championships (IAC) to download to your computer, MP3 player, or iPod®. Additionally, you will be able to listen to 2007 Conference and Show's educational seminars soon after each session has been completed. Two of the sessions for 2006, and two for 2007, will have video.

► Sessions Currently Available:

- All 2006 NAA Conference & Show Educational Sessions
- 2006 International Auctioneers Championship (IAC)
- Real Estate Seminar – Atlanta, GA
- Real Estate Seminar – Chicago, IL
- Marketing Webinar featuring Larry Mersereau

► Coming Soon:

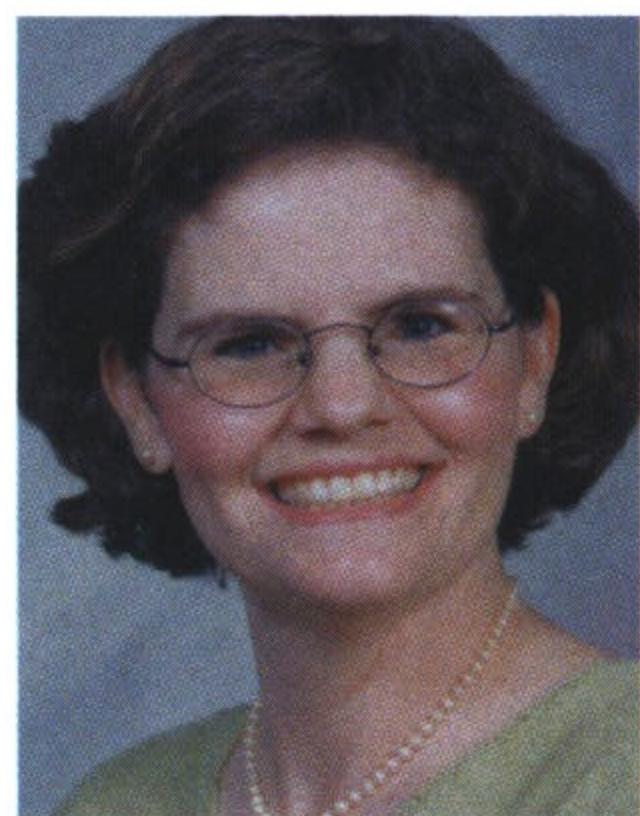
- All 2007 NAA Conference & Show Educational Sessions
- 2007 International Auctioneers Championship (IAC)

...access seminars ALL YEAR LONG!

Think of What You're Saving... The cost of new education alone is \$495, add in travel and hotel expense, and the costs can be significant. The NAA Learning Center has packaged these educational opportunities along with the real estate seminars into one program, valued at over \$1000!

By joining the NAA Learning Center, at a yearly cost of \$185 for NAA members and \$285 per year for non-members, you can attend any or all of the above mentioned sessions, receive CE credits, expand your learning opportunities, and save time and money. This is not only an exceptional opportunity for you and your staff, but the NAA Learning Center is also an outstanding value created to save you time and money.

Log on to www.auctioneers.org or contact the NAA Education Institute at 888-541-8084 ext. 19, 23 or 28 to learn more about this exciting program and sign up today!



LYNN M. WARD IS CURATOR
OF THE NATIONAL
AUCTIONEERS MUSEUM

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(847) 741-3483
tpdunning@aol.com (term expiring 2009)

Sara Schoenle - *Administrator*
(913) 541-8084 ext.17
sara@auctioneers.org

Trustees
Term expiring 2008:
Chuck Bohn, CAI, GPPA - *Treasurer*
(303) 340-2422
cfbohn@aol.com

Marty Higgenbotham, CAI
(863) 644-6681
auction@higgenbotham.com

Chris Pracht, CAI, AARE, CES
(864) 226-7941
jcpracht@aol.com

Randy A. Wells, CAI, AARE, CES, GPPA
(208) 699-7474
randy@rasnw.com

Terms Expiring 2009:
Rob Doyle, CAI, CES - *Vice President*
(845) 635-3169
hikertwo@aol.com

John Roebuck, CAI, AARE
(901) 761-0428 ext.111
john@roebuckauctions.com

B. Mark Rogers, CAI, AARE
(336) 789-2926 x109
bmrogers@rogersrealty.com

Kip Toner, BAS - *President Elect*
(206) 282-9050
kip.ceo@KTBA.net

Terms Expiring 2010:
J. Craig King, CAI, AARE
(256) 546-5217
craig@jpking.com

Benny Fisher, Jr., CAI
(954) 942-0917
benny@fisherauction.com

Larry Theurer, CAI, GPPA
(620) 326-7315
larry@theurer.net

Museum Curator
Lynn M. Ward
(913) 541-8084 ext. 21
lynn@auctioneers.org

Director of Development
Dave Hanneman
(913) 541-8084 ext. 26
dhanneman@auctioneers.org

AUGUST 31ST DEADLINE TO REGISTER FOR THE FOUNDATION'S STUDY TOUR TO SEATTLE AND VANCOUVER IS APPROACHING.

Complete the registration form on the next page and be a part of one of the most educational and fun trips you can take!

Charlie Corkle, Livestock Auctioneer, NAA President 1961-62

One of the responsibilities I have as curator of the National Auctioneers Museum is acquiring and soliciting historical auctioneering items for the museum's collection. This is fun and challenging for me because I am proud of our collection and like to see it grow and expand. One of the areas in our collection that I noticed needed some expansion was artifacts on a Nebraska livestock Auctioneer Charlie Corkle.

According to many livestock Auctioneers, Charlie Corkle was one of the greats. He was devoted to the livestock industry for 50 years and he never turned down an opportunity to serve the auction profession. He was dedicated to NAA, serving many positions and committees and was the President in 1961-62. In 1966, at the NAA Conference and Show in Philadelphia, he received auctioneering's highest award—induction into the Hall of Fame.

In the museum's collection, the only items we have from Corkle's career are a couple of auction recordings. So when I came across the article in the March 1974 issue of *The Auctioneer* titled "Charles Corkle's Death Brings Sad Note to Auction Industry," I read it with great interest.

According to the article, Corkle was born March 12, 1900 in Tilden, NE. For a time he worked with the Norfolk Livestock Sales, Co. in Norfolk, NE, which his father helped organize in the early 1900's. He attended college for one year at St. Mary's, KS, and for one year at Notre Dame University in South Bend, IN. Later he was a field representative for the Nebraska Farmer at Lincoln, and for 20 years he held a similar position with the *Omaha Daily Journal-Stockman*.

After attending the Reppert School of Auctioneering in the early 1940's, he went into auctioneering, specializing in registered Hereford cattle sales. Charlie's words, "And now folks, if you will bid readily on these cattle, we will try to move the sale

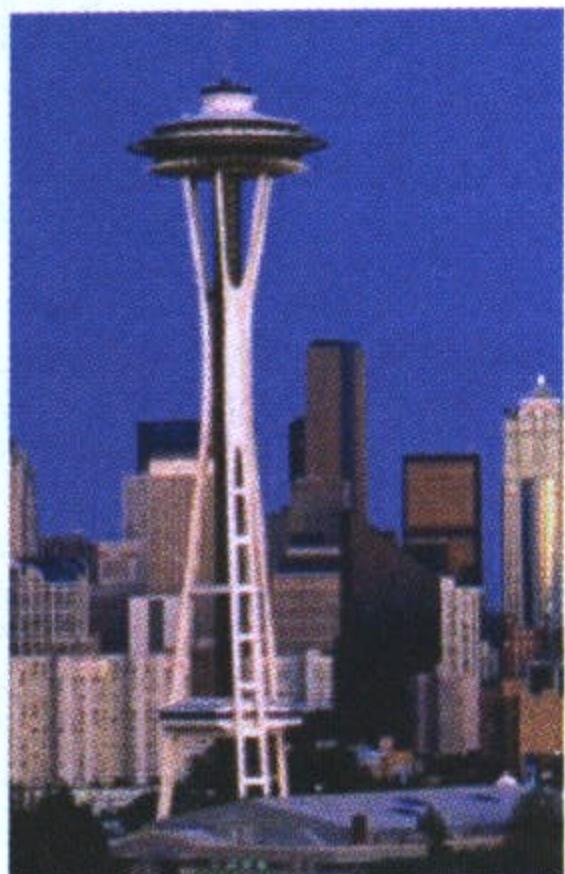


Charles Corkle, center, with his fellow workers, J. Meredith Darbyshire, left, and Walter Britten.

continued on 76

www.auctioneersfoundation.org

National Auctioneers Foundation Study Tour



Registration Form Seattle, Washington & Vancouver, Canada October 23 - October 31, 2007



Accommodations for 8 nights in 3.5+ star hotels
7 breakfasts, 2 lunches and 2 dinners.

Visit to auto, benefit (glass), machinery, flower and antique auctions!
Tour the Wine Country; the famous Boehm's Candy Kitchen, Snoqualmie Falls,
Butchart Gardens, Capilano Suspension Bridge & much, more...

Registration (per person)

- \$1865 per person. (**Not included:** airfare, gratuities and extra meals)
- \$1810 per person **if paid by check or money order.**
- \$700 single room supplement. **\$680 if paid by check or money order**

Please hold my space:

- \$300 deposit per person **due by July 31, 2007**

TOTAL

NAF reserves the right to cancel the tour due to insufficient registration.

Registration is on a first come, first served basis.
Final payment is due August 31, 2007 to reserve your place. Don't be left out, register today! Limited space is available.

All participants will be responsible in making their own airline reservation to Seattle, Washington and from Vancouver, Canada.

NOTE: FINAL PAYMENT DUE NO LATER THAN: August 31, 2007

Please register me: **Check or money order enclosed**

Charge: MasterCard Visa
 Discover American Express

Card# _____

Exp. Date: _____

Name on card: _____

Name _____

Guest/Spouse: _____

Address: _____

City/State/Zip: _____

Phone: (_____) _____

FAX: (_____) _____

Email: _____

Make check payable to NAF and send with registration form to NAF, 8880 Ballentine, Overland Park, KS 66214 or FAX credit card registrations to (913) 894-5281.

Cancellation Policy: \$150 is non-refundable upon payment. If you cancel prior to the tour, the following amounts will be refunded:

90 or more days.....tour cost - \$150
89-61 days.....75% of tour cost is refunded
45-60 days.....50% of tour cost is refunded
Less than 45 daysNo refund



A YEAR OF NEW PROGRAMS AND INVESTMENT

FINANCIAL RESULTS FOR FISCAL YEAR ENDING MAY 31, 2007

■ NAA revenue grew 6.7% for the 2006-'07 fiscal year

--While membership revenue was up 10.5%, it was lower than budget projection by almost \$90,000. Non-dues revenue was strong again this year growing 41.4%

B. Mark Rogers, CAI, AARE, of Mt. Airy, NC, is an Auctioneer and real estate broker with Rogers Realty & Auction Co. Inc. His specialties are commercial properties and auctions. Mark does commercial brokerage and site selection work. He is the past president of the North Carolina's Auctioneers Association as well as a Hall of Fame. He also served as chairman of the Real Estate Council, and served on NAA's election and governmental affairs committees. In the real estate industry, Rogers served the North Carolina Association of Realtors as a regional vice president in 1990-1991. He was president of his local board of Realtors in 1987. He was chosen Realtor of the Year for his board in 1986. Rogers works with Habitat for Humanity, The Shepherd's House, tutors, and conducts fund raising auctions. Mark and his wife, Deidre, have been married 21 years and they have a son, Dustin, and a daughter, Deyton.

The National Auctioneers Association is the leading provider of education, resources and support for the almost 5,700 professional Auctioneers throughout the world. The financial results for the period June 1, 2006 through May 31, 2007 include \$3,406,924 in revenue and a change in net assets before depreciation of (\$81,438) representing (2.4%) of revenues.

"While the trends in both overall revenue and non-dues revenue growth continued, investment in new programs and initiatives added to a greater than budgeted expense outlay," said B. Mark Rogers, CAI, AARE, National Auctioneers Association, Treasurer.

HIGHLIGHTS FOR THE YEAR

For the year ending May 31, 2007:

- Grew total revenue \$214,447 year over year, an increase of 6.7%.
- Experienced a change in unrestricted net assets of (\$135,855).
- Maintained aggressive depreciation schedule.
- Held 3rd State Leadership Conference with more than 35 states represented.
- Actively engaged in a number of state, regional, and national governmental issues.
- Held first-ever NAA Lobby Day in Washington, D.C.
- Exhibited at the National Association of Realtors Convention and presented at their Conference Forum.
- Participated in several National Association of Realtors meetings and events to further strengthen relationship between two organizations.
- Held Membership "Think-Tank" strategic visioning meetings.
- Hiring of professional Government Affairs/Public Relations staff.
- Extensive rewrites of NAA's education designation programs.

- Developed an Auction Action Network (Government Relations monitoring) between NAA and the States.
- Developed new NAA Website.
- Held first-ever National Auctioneers License Law Officials Association (NALLOA) Meeting in conjunction with Winter Seminar.
- Developed and launched the new Benefit Auction Specialist designation.

2006-'07 RESULTS VERSUS 2005-'06 RESULTS:

Highlights for the year 2006-'07 included:

- Maintained association's reduced dependence on dues revenue by continuing to grow non-dues revenue areas providing greater value to the membership for fewer dollars invested.
- While actual association cash and investments declined, that money was primarily offset by an increase in a growth of accounts receivable (\$48,656 due from National Auctioneers Foundation) and property and equipment. Not reflected in current market dollars is the value of the association's building which would add in excess of \$1.0 million to the true asset value. NAA underwent a \$600,000 renovation of the headquarters building this fiscal year further strengthening the true market value of this significant asset.
- Salaries and benefits remain in check for the association, representing 30.5% of total expenses and in the median range of comparable associations.
- Projected budget established for the 2007-'08 and 2008-'09 period represents a foundation to budget a contribution to reserves and continue funding of important initiatives for the future growth of the association.



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors

NATIONAL AUCTIONEERS ASSOCIATION

We have audited the accompanying statements of financial position of National Auctioneers Association as of May 31, 2007 and 2006, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The notes to the financial statements do not disclose information about expenses reported by their functional classification. In our opinion, disclosure of such information is required by U.S. generally accepted accounting principles.

In our opinion, except for the departure described above, the financial statements referred to above present fairly, in all material respects, the financial position of National Auctioneers Association as of May 31, 2007 and 2006, and the results of its activities and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Leawood, Kansas
July 18, 2007

Mayer Hoffman McCann P.C.

NATIONAL AUCTIONEERS ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

May 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$ 36,078	\$ 73,475
INVESTMENTS	371,679	487,113
ACCOUNTS RECEIVABLE, less allowance for losses (\$2,560, 2007; \$2,560, 2006)	117,465	79,963
ADVANCE TO RELATED PARTY	600,000	-
PREPAID EXPENSES AND OTHER ASSETS	348,518	340,380
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation	<u>543,174</u>	<u>497,444</u>
TOTAL ASSETS	<u>\$ 2,016,914</u>	<u>\$ 1,478,375</u>
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE	\$ 45,730	\$ 11,166
ACCRUED EXPENSES	21,381	19,115
DEFERRED REVENUE	1,372,266	1,321,774
LONG-TERM OBLIGATIONS	<u>614,880</u>	<u>27,808</u>
TOTAL LIABILITIES	<u>2,054,257</u>	<u>1,379,863</u>
<u>UNRESTRICTED NET ASSETS</u>		
UNDESIGNATED DEFICIT	(282,673)	(150,259)
BOARD DESIGNATED LIFE MEMBERSHIP FUND	<u>245,330</u>	<u>248,771</u>
TOTAL UNRESTRICTED NET ASSETS	<u>(37,343)</u>	<u>98,512</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,016,914</u>	<u>\$ 1,478,375</u>

See Notes to Financial Statements

NATIONAL AUCTIONEERS ASSOCIATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended May 31, 2007 and 2006

	2007	2006
REVENUES		
Dues	\$ 1,245,231	\$ 1,126,653
Designation programs	825,549	772,501
Conference	718,082	712,919
Advertising	345,141	381,968
Investment income	11,474	13,193
State management services	98,200	48,200
Affinity program and other income	<u>163,247</u>	<u>137,043</u>
 TOTAL REVENUES	 <u>3,406,924</u>	 <u>3,192,477</u>
 EXPENSES		
Publications	517,259	479,764
Salaries and benefits	1,065,078	903,517
Conference	650,615	623,741
Designation programs	552,716	510,292
NAA Representatives - state conventions	72,331	83,399
Board travel	90,705	53,685
Staff travel	40,871	22,327
Membership development	44,000	34,178
Professional and consultant fees	159,698	127,447
Public relations	59,319	77,549
Utilities	54,509	52,694
Repairs and maintenance	79,117	56,506
Taxes and insurance	31,589	24,816
Miscellaneous	<u>70,555</u>	<u>66,630</u>
 TOTAL EXPENSES BEFORE DEPRECIATION	 <u>3,488,362</u>	 <u>3,116,545</u>
 CHANGE IN UNRESTRICTED NET ASSETS BEFORE DEPRECIATION	 (81,438)	 75,932
 DEPRECIATION	 <u>54,417</u>	 <u>55,435</u>
 CHANGE IN UNRESTRICTED NET ASSETS	 (135,855)	 20,497
 UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	 <u>98,512</u>	 <u>78,015</u>
 UNRESTRICTED NET ASSETS, END OF YEAR	 <u>\$ (37,343)</u>	 <u>\$ 98,512</u>

See Notes to Financial Statements

NATIONAL AUCTIONEERS ASSOCIATION

STATEMENTS OF CASH FLOWS

Years Ended May 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (135,855)	\$ 20,497
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	54,417	55,435
Loss on disposals of property and equipment	3,523	-
Decrease (increase) in operating assets:		
Accounts receivable	(37,502)	13,655
Prepaid expenses and other assets	(8,138)	(63,632)
Increase (decrease) in operating liabilities:		
Accounts payable	34,564	(25,531)
Accrued expenses	2,266	7,052
Deferred revenue	<u>50,492</u>	<u>106,933</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(36,233)</u>	<u>114,409</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in equipment	(103,670)	(40,952)
Purchase of investments	(290,000)	(504,804)
Proceeds from sale of investment	405,434	481,429
Advance to related party	<u>(600,000)</u>	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(588,236)</u>	<u>(64,327)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	600,000	-
Repayment of long-term debt	<u>(12,928)</u>	<u>(14,528)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>587,072</u>	<u>(14,528)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(37,397)	35,554
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>73,475</u>	<u>37,921</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 36,078</u>	<u>\$ 73,475</u>
CASH FLOW DISCLOSURES		
Cash paid for interest	<u>\$ 7,731</u>	<u>\$ 525</u>

See Notes to Financial Statements

NATIONAL AUCTIONEERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of operations - The National Auctioneers Association (the "Association") is a nonprofit corporation, which provides educational services and information regarding the auctioneering profession. Magazines are published monthly as part of the members' annual dues investment, a convention is presented annually, and several seminars are presented throughout the year.

Use of estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Depreciation - Depreciation of property and equipment is computed using the straight-line and double-declining balance methods over the following useful lives:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Building	20 years
Equipment	3 - 8 years
Vehicle	5 years

Taxes - The Association is exempt from federal income taxes under Internal Revenue Service Section 501(c)(6) and from state income tax under applicable state law.

Cash and cash equivalents - For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash on hand, checking accounts, and money market funds.

Investments - Investments are reported at market value and consist of certificates of deposit. At times, these deposits in financial institutions are in excess of federally insured limits. Management monitors the soundness of these institutions and feels the Association's risk is negligible.

Board designated life membership fund - The Board of Directors has designated funds received for lifetime memberships for the purpose of funding costs associated with providing current year and future benefits to life-time members.

Long-lived assets - The Association evaluates long-lived assets for impairment using a discounted cash flows method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There was no impairment for the years ended May 31, 2007 and 2006.

NATIONAL AUCTIONEERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(2) Property and equipment

	May 31,	
	2007	2006
Cost of owned property and equipment		
Land	\$ 271,561	\$ 271,561
Building	785,315	730,024
Equipment	528,105	631,472
Vehicle	34,725	34,725
Total cost of owned property and equipment	<u>1,619,706</u>	<u>1,667,782</u>
Less: accumulated depreciation	<u>(1,087,618)</u>	<u>(1,184,518)</u>
Net owned property and equipment	<u>532,088</u>	<u>483,264</u>
Cost of equipment under capital lease		
Equipment	21,657	21,657
Less: accumulated depreciation	<u>(10,571)</u>	<u>(7,477)</u>
Net equipment under capital lease	<u>11,086</u>	<u>14,180</u>
Net property and equipment	<u>\$ 543,174</u>	<u>\$ 497,444</u>

Depreciation expense was \$54,417 and \$55,435 for the years ended May 31, 2007 and 2006, respectively.

(3) Deferred revenue

Deferred revenues represent amounts received for membership dues which have not been earned, amounts received for the annual convention and amounts received for future seminars and courses that take place subsequent to the fiscal year end. Deferred membership, deferred convention, and deferred seminar revenue at May 31, 2007 and 2006 are as follows:

	May 31,	
	2007	2006
Membership	\$ 877,156	\$ 906,258
Convention	442,217	324,592
Seminar	19,560	24,257
Other	33,333	66,667
Total	<u>\$ 1,372,266</u>	<u>\$ 1,321,774</u>

NATIONAL AUCTIONEERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(4) Long-term obligations

	<u>May 31,</u>	
	<u>2007</u>	<u>2006</u>
<u>Long-term debt</u>		
Note payable, collateralized by an automobile, with interest at 0.0%. Payable in monthly installments of \$798 with final payment due April 2008.	\$ 8,773	\$ 18,349
Note payable, collateralized by a building, with interest at 7.125%. Monthly payments of interest on outstanding principal are due through March 1, 2010 at which time the entire principal and unpaid interest are due.	600,000	-
<u>Capital lease obligations</u>		
Capitalized equipment lease obligation with bargain purchase option	<u>6,107</u>	<u>9,459</u>
<u>Total long-term obligations</u>	<u>\$ 614,880</u>	<u>\$ 27,808</u>

Principal maturities for long-term debt are as follows:

<u>Years Ending May 31,</u>	
2008	\$ 8,773
2009	-
2010	<u>600,000</u>
<u>Total long-term debt</u>	<u>\$ 608,773</u>

Future minimum lease payments under capital leases together with the present value of the net minimum lease payments are as follows:

<u>Years Ending May 31,</u>	
2008	\$ 4,332
2009	<u>2,166</u>
<u>Total minimum lease payments</u>	<u>6,498</u>
<u>Less amount representing interest</u>	<u>(391)</u>
<u>Present value of net minimum lease payments</u>	<u>\$ 6,107</u>

NATIONAL AUCTIONEERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

(5) Operating leases

The Association leases certain office equipment under an operating lease. Lease expense approximated \$4,310 and \$3,800 for the years ended May 31, 2007 and 2006, respectively. The future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year are as follows:

<u>Years Ending May 31,</u>	
2008	\$ 5,760
2009	5,760
2010	<u>4,800</u>
Total	<u>\$ 16,320</u>

(6) Pension plan contributions

The Association has a defined contribution profit sharing plan covering all full-time employees of the Association who have completed one year of service. Contributions are charged against operations and totaled \$32,841 and \$30,657 for the years ended May 31, 2007 and 2006, respectively.

(7) Related party transactions

During the year ended May 31, 2007, extensive remodeling work was done on the Association's office building. While all work benefited both the Association and the National Auctioneers Association Foundation (the Foundation), a related party by common board members and tenant of the office building, there was significant benefit to the Foundation. The Association borrowed the funds for the remodeling work and an advance was given to the Foundation in the amount of \$600,000. On July 17, 2007, the Board of Directors for the Foundation agreed to repay the entire \$600,000 advance. However, the repayment terms have not been finalized.

In consideration for the remodeling, it is the intent of management to enter into a long-term operating lease with the Foundation. However, as of July 18, 2007, this lease has not yet been formalized.

Accounts receivable due from the Foundation for research work was \$39,328 and \$9,328, which represents 33% and 12% of receivables, as of May 31, 2007 and 2006, respectively.

How do real estate Auctioneers pay online venue?

In Ohio and many other states the black and white regulation is that real estate commissions can not be paid to an unlicensed individual. As online auctions become more popular, questions come up as to how real estate Auctioneers can pay the online venues. Typically speaking, the buyer's premium at a real estate auction is added to the high bid, included in the purchase price and the commission is paid to the real estate Auctioneer on the seller side of the HUD. If the Internet venue is earning a portion of the buyer's premium or even an "Internet buyers premium" over the live premium, is this considered a real estate commission and can it be paid by the Auctioneer to the venue without risk on the Auctioneer's real estate license?

Richard F. Kruse
Lewis Center, OH

Answer: The question raises some innovative issues that are created when auctions are conducted via the Internet. The first development is the activities of Internet companies in the area of auctions. These are companies that allow Auctioneers to advertise an auction on the Internet and to conduct an auction live over the Internet. The theory is that such broadcasts attract remote bidders to participate in the auction sale. A licensed Auctioneer still conducts the actual auction.

The historic advertising media in the United States include such items as: newspapers, radio stations and television channels. These advertising media provide services for promoting auction sales. However, the historic advertising media charge either a flat fee or contract price for their services. The Internet companies provide services that allow the Auctioneer and seller to promote the auction sale over the Internet and allow bidders to submit bids without attending the live auction. Although these technological services assist the auction process, they do not entitle the Internet companies to part of the commission for the sale of real estate. Blacks' Law Dictionary defines commission as: "The recompense, compensation or reward of an agent, salesman, executor, trustee, receiver, factor, broker or bailee, when the same is calculated as a percentage on the amount of his transactions or on the profit to the principal." Black's Law Dictionary, Sixth Edition, 1990. Internet companies provide services more similar to an advertisement in the newspaper than as agent or salesman. As such, compensation for Internet companies' services generally should not be based on a percentage of the proceeds, but on the actual cost of their services. Allowing Internet companies to receive a portion of sale proceeds, based on a percentage, could be considered fee splitting and create a problem for a licensed Auctioneer and Realtor.

Second, a buyer's premium is a means of shifting the costs of the auction sale from the seller to the buyer. In a typical auction without a buyer's premium, the seller pays the Auctioneer for his/her services from the proceeds of the sale of property. For instance, if the seller and Auctioneer enter a contract for 5% commission and the total sale proceeds are \$100,000, then the seller receives \$95,000 and the Auctioneer receives \$5,000. If the seller and Auctioneer enter into a contract with a 10% buyer's premium and the value of items in the sale is \$100,000, however, then the total sale proceeds would be \$105,000, because the bidders pay the buyer's premium of 5%, which is \$5,000. At the closing, the seller would receive \$100,000. The Auctioneer's fee, in this example, is paid from the proceeds generated by the bidders paying the buyer's premium. The contract between the seller and the Auctioneer usually determine whether and how a buyer's premium will be applied. An Internet company is merely providing services to assist the auction process. Allowing the Internet company to receive a portion of the buyer's pre-



KURT R. BACHMAN IS AN ATTORNEY AND LICENSED AUCTIONEER FROM LAGRANGE, IN. HE CAN BE REACHED AT (260) 463-4949 OR KRBACHMAN@BEERSMALLERS.COM

Advice in this column

Kurt R. Bachman and Beers Mallers Backs & Salin, LLP appreciate the opportunity to review and answer legal questions that will be of interest to Auctioneers. The answers to the questions are designed to provide information of general interest to the public and is not intended to offer legal advice about specific situations or problems. Kurt R. Bachman and Beers Mallers Backs & Salin, LLP do not intend to create an attorney-client relationship by offering this information, and anyone's review of the information should not be deemed to create such a relationship. You should consult a lawyer if you have a legal matter requiring attention.

Kurt R. Bachman and Beers Mallers Backs & Salin, LLP also advise that any information you send to Auctioneer shall not be deemed secure or confidential. Please visit one of our offices to ensure confidentiality.

continued

mium should, therefore, be avoided.

Third, if an Internet company charges an Internet buyer's premium, a fee in addition to the buyer's premium, these charges could be considered a commission that is generated by the auction sale of real estate. If the auction of real estate entitles an Internet company to a fee based on a percentage of the sale proceeds, then the Internet companies are receiving a commission. In addition, these fees may discourage bidders from participating and submitting bids via the Internet.

For example, in an auction where an Internet bidder submits a bid of \$100,000 for a parcel of real estate, where there is a 5% buyer's premium and the Internet company charges a 3% Internet buyer's premium, the successful bidder would be required to pay an additional \$3,000. The breakdown of the bid is as follows: seller receives \$100,000; Auctioneer receives \$5,000 for his or her services; and the Internet company would charge \$3,000 for the Internet buyer's premium. These are fees that are based on the purchase price of the real estate, which could be considered a commission and create a problem for a licensed Auctioneer and licensed Realtor.

Internet companies are certainly entitled to payment for their services. Auctioneers, however, should carefully consider the

consequences under state law prior to compensating these companies on a commission basis. Auctioneers should contract with Internet companies for a specific amount in the same manner as they contract with any other advertising media.

Using technology to promote and assist the real estate auction process is innovative and progressive. The fact that Internet companies assist Auctioneers in their profession does not elevate Internet companies to the status of Auctioneers or Realtors. In addition, their services do not entitle them to a portion of the commission generated by the sale. Allowing Internet companies to share commissions, buyer's premiums, Internet buyer's premiums in which these fees are based on a percentage of the proceeds of an auction of real estate should be discouraged and avoided by Auctioneers.

Auctioneer's duty regarding liens

What duty does an Auctioneer have to conduct UCC and IRS searches when the consignor represents there are no liens in the auction contract and the Auctioneer has no actual knowledge to the contrary, without, however, conducting any inquiry and relying only on the consignor's representations?

Mark A. Herndon
Durant, OK

(A similar question on liens:)

Am I, the Auctioneer, liable in this case?

I have a question about liability. I conducted an auction last year of several pieces of farm machinery. The seller stated that he had a lien on several items. I told him that we needed a clear title (for equipment that had a title) to sell at auction. On several pieces of equipment that did not have a title (a front end loader, tractor, etc.) I did a search of the UCC by searching his name and found nothing.

On the day of the sale the seller did not have the titles. I made an announcement that the seller did not have the titles and the best we could offer was for us to negotiate a price between the seller and the buyer. The seller stated that once the buyer's check cleared he would provide the title. All checks were written out directly to the seller.

One item with a title was sold. The buyer asked me to pick up the title the following week. I stopped by the seller's place and no title. The seller stated he was too busy to pick it up at the bank and asked me to get the title. I told him the agreement was a good check for a good title. No title, no sale. The seller wrote

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out a check for reimbursement to the buyer but stated all I had to do was go to the bank to get the title. I informed the buyer of this. The next week, I contacted the bank and found no title and no funds in the bank to cover the check.

The bank has liens on most of the machinery. I told them I checked the UCC and didn't find anything. The bank produced the UCC 1. They had filed it under his name of William, and I had checked under the name Bill. The seller had signed the contract as Bill. I thought that was his legal name.

The seller is now overseas, so the bank sues me, the Auctioneer. Am I liable? What about the buyers? Are they liable for actions of the seller?

NAME WITHHELD

Answer: Because of the similarity of these two questions, I have combined the answer for them. The Auctioneer is the agent of the seller. The seller engages the services of the Auctioneer to conduct an auction sale in order to sell real or personal property. The type of property will determine

whether the Auctioneer should engage the services of a title company or conduct a Uniform Commercial Code ("UCC") search to discover liens on the property. Taking the additional time and expense to discover the existence of liens can avoid situations like that described in the above question, in which the seller may have been less than honest in providing the Auctioneer with information concerning liens on the subject property.

Auctioneers should include in their auction contract a provision containing the seller's representations and warranties regarding the status of title. This means the seller is representing to the Auctioneer that he or she owns the property and whether there are any encumbrances or liens on the property that will need to be satisfied before title can be transferred. Auctioneers may want to include the sellers' representations in advertisements, sale bills, announcements and instructions regarding the property. The more practical question is: When should an Auctioneer do a title search-lien search? In prior articles, I stated that Auctioneers should know as much as the

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Tommy Williams



Tommy & Trudy

Williams stand with

*Barbie, one of their
many miniature horses,*

at their ranch in Tulsa,

*Oklahoma. They have
raised the horses
for ten years.*

TM

*Accept challenge
Embrace change*



Tommy's grandfather, Colonel A.D. Bradshaw, with the Grand Champion Steer at the St. Louis Livestock Exposition in the mid 1920s.

"We are embarking on the greatest opportunity in the history of competitive marketing. Those who adapt and understand the scope of this opportunity will prosper beyond their wildest dreams." Strong words from Tommy Williams, but "living the dream" could be Tommy's life motto. From a determined kid with high hopes of becoming an Auctioneer, to partnering with his son Dean in one of the world's premiere real estate auction companies, to becoming the president of the National Auctioneers Association, Williams has lived the ideal that, "If you can dream it, it's possible."

"Some of the most important people in my life have told me to never let loose of my dream," says Williams.

That saying has dictated the way he has led his life, not just in business ventures but in his personal life as well.

"Tommy looks forward to each and every day with zest!" says his wife, Trudy Williams.

Williams' hopes and dreams are an indicator of how he intends to lead the NAA. Elected as president for the 2007-2008 terms, Williams, 66, has embraced the mission and vision set forth by the organization and wants to welcome the change that is ever present in this industry.

A 44-year member of the NAA and CAI certified, Williams has seen the evolution of the association from one that promoted and handled purely live, on-site auctions to one incorporating online methods of competitive bidding. The Internet is opening many doors and "reshaping the auction

industry by the day, not by the year," he says. Williams will place a high priority on the industry-wide education needed for all NAA members to benefit from such changes in technology.

"Educating our members on how best to adapt and utilize rapidly-changing technology is paramount," says Williams. "The successful Auctioneer will blend the best of the past with the best of the future."

The changes at hand represent an opportunity present to all those in the industry. The Internet may be intimidating to some, but Williams encourages NAA members to face this innovation and not be fearful of it. Rather than fading away, he is confident its use will only continue to increase. If current NAA members refuse to adapt, Williams fears they will be left behind by future up and coming Auctioneers.

With such an opportunity also comes a responsibility to the customers Auctioneers serve. Williams strongly believes "sound business principles and ethical conduct are a must in every facet of our lives."

He first saw an auction with his mother and grandmother at the age of 11. Williams grew up in the cattle business, working with his family to take over the Angus cowherd of his grandfather, Colonel A.D. Bradshaw, after his passing in 1949.

Being in the cattle industry exposed Williams to auctions at a young age. As he watched Colonel Roy Johnson – the leading purebred cattle Auctioneer of the time – Williams knew he wanted to be an Auctioneer.

As Williams recounts, "I was a little kid sitting there with my mother and my grandmother, and Col. Johnson was selling the sale, and I looked over at my mother and said, 'Now that's what I am going to be.'"

His grandmother, ever the protector, told him not to get his hopes up. His mother, however, encouraged him to follow his dreams and said if he wanted to be an Auctioneer then that's what he'd be.

Williams grew up continuing to work in the Angus cattle industry and took the first step toward achieving his auctioneering dream by attending and graduating from the renowned Reppert Auction School at the age of 16.

As a teenager, he continued his extensive involvement in the raising and showing of Angus cattle, culminating with the showing of three Grand Champion steers in succession at the Florida State Fair in Tampa. Williams split his



Tommy Williams (far right) with the Lykes Brothers (back row), his mother, Elnora Bradshaw (front row), Roy Rogers and one of Tommy's Grand Champion Steers at the Florida State Fair in 1956.

educational experiences between Florida and Illinois throughout elementary and high school. It was during this time he pursued another passion near and dear to his heart – his wife of 46 years, Trudy, whom he has known since third grade.

When Williams was a senior, he started his auction career by selling his brother's steer at the Florida State Fair. This foray into selling led to more judging opportunities within his 4-H club. In 1959, the opportunity to participate on the Florida State judging team once again changed Williams' destiny. That commitment caused him to enroll at the University of Florida for his freshman year.

Another pivotal point in Williams' life occurred that same year, when he visited with a family friend, Greta Heckett, owner of Heckmeres Highlands, Valencia, Pennsylvania. Heckett had known Williams through work with his grandfather, Colonel A.D. Bradshaw, in the cattle industry. She reentered Williams' life in the fall of 1959 at Chicago's International Livestock Exposition. Heckett knew Williams was graduating from high school and proposed he come to work for her at her farm.

"She said you'll be up here working for me and I said okay... to me, it was just like saying, well, you're going to go and sit at the right hand of God," Williams said. "I am going to go to work for Mrs. Heckett, who is the 'be all end all' of the Angus business."

Williams' main task at Heckmeres Highlands was working in the show barn and training the cattle to show. In an unusual circumstance, the farm had three heifers entered in the summer yearling heifer class at the All-American Futurity in Lexington.

The decision was made to let Tommy show the third-place heifer, because of his hard work on the farm. That heifer went on to be the Grand Champion Female of the 1959 All-American Futurity, once again changing Tommy's life.

This larger role with Heckmeres Highlands prompted Mrs. Heckett to mentor Williams and help him get enrolled at Penn State University for his sophomore year.

Attending Penn State opened up the door for Williams to study under one of the leading professors of animal husbandry in the U.S., Herman Purdy.



*Reppert Auction School class photo, 1956.
(Tommy is located in the second row, seventh to the left).*



T o m m y W i l l i a m s

"Professor Purdy was the most influential judge of livestock amongst all breeds of cattle at that time," said Williams' college roommate, Henry Bergfeld. "Purdy was a mentor to Tommy in the livestock aspect, and as a result, Tommy showed cattle very well."

In 1961, Tommy and Trudy got married and he provided for his family by not only attending school full time, but also putting in 40+ hours a week in the beef barns. He continued to work for Mrs. Heckett in the summertime.

After his graduation from college in 1963, Williams transitioned into his first official auction job at Jennings Sale Company back in his hometown of Macomb, Illinois. Jennings Sale Company was the largest livestock auction company in the state. He hit the ground running at the company, selling what he refers to as "auction junk" from day one. That first day also had another major impact on him: he met his longtime friend and business partner, Jack

Lowderman. Lowderman had just graduated from auction school, and like Williams was new at Jennings Sale Company.

By 1965, Williams' friendship with Lowderman transformed into a business venture with the creation of Lowderman & Williams Auctioneers. They handled farm auctions, selling real estate, machinery and livestock. Lowderman & Williams Auctioneers grew to be one of the top farm, ranch and estate auction companies in the Midwest. At this time, Williams also continued pursuing his career of selling Angus cattle.

Greta Heckett, Owner of Heckmeres Highland farm and the woman who took Tommy to the top of the Angus Showman industry; the President of the Angus Auxillary and Tommy with the Grand Champion Female, All-American Angus Futurity heifer at Keeneland Race Course in Lexington, Kentucky, 1959.





Tommy, Trudy, and their sons, Dow and Dean Williams at their Bradmar Angus Farm in Illinois, one year into Tommy's career in the auction industry, in 1964.

"Tommy and I shared, and continue to share, the same values of a belief in hard work, honesty and character," said business partner and friend, Jack Lowderman. These principles helped not only to cultivate their business, but also their friendship, which has lasted over 40 years.

At one point during this time, Williams got a call that would ultimately open doors and change his life. His college roommate, Henry Bergfeld, stopped by for a visit with Tommy and Trudy. Bergfeld was the manager of Summitcrest Angus Farm, one of America's leading Angus herds. He attended a livestock auction with Williams and was so impressed with Williams' capabilities on the auction block that he asked him to sell the heifers at his fall sale in Iowa.

At this sale, Williams had the opportunity to work with Tom Burke, the leading Angus sale manager of all time. Burke had seriously doubted Williams' ability to sell the sale and expressed that to Bergfeld.

After Williams blew them away at this Iowa sale, Burke changed his tune and asked Williams, "Is this what you want to do?"

Williams replied, "No, Tom, this isn't what I want to do, this is what I'm going to do."

Burke decided he wanted to team with Williams, and from that point on he opened doors for Tommy that took him to the top of the Angus sale industry.

"In my lifetime, I have done nearly 6,000 Angus auctions and Tommy Williams is the best Angus Auctioneer I have ever worked with," said Burke. "He maintains both a professional attitude and respect for the auction business."

During the next 20 years, Williams continued his work both as an Angus Auctioneer and with Lowderman &

Williams. Another life-changing experience occurred in 1985 on a trip to Tulsa, Oklahoma.

Williams was in Oklahoma selling Angus when he met with Larkin Bailey, a friend whom Williams had known for years after buying cattle for him at different Angus sales.

Bailey asked Williams to take him back to Tulsa and have breakfast with him the following morning. During their meeting, Bailey laid out a plan to bring Williams to Oklahoma.

"He told me, 'You know Tommy, there's more opportunity in Tulsa for Tommy Williams than you could ever imagine,'" Williams recalls. "He continued, 'If you come to Tulsa, I'm going to show you how to make dollars where you've been making pennies.'"

Williams made the decision to move to Tulsa. He had promised Trudy they would live in Illinois and raise Angus cattle until the day they died. So when he made the choice to start a new life in Oklahoma, he knew he would be going against those promises. But she accepted it with no questions asked.

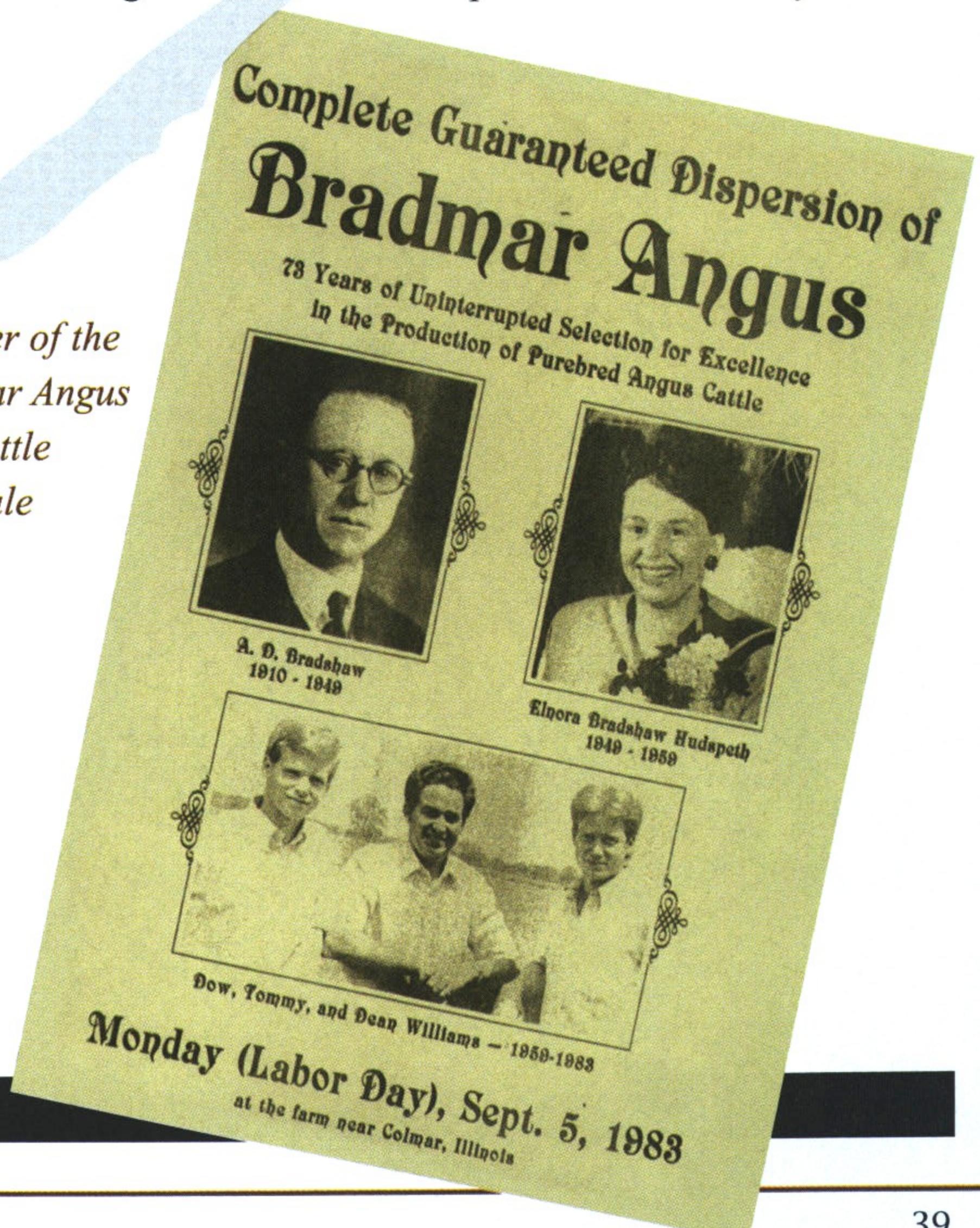
"I was excited about the move to Tulsa," says Trudy. "It was a new adventure and I not only was ready for the move, but I trusted Tommy with this opportunity."

Within six weeks the Williams family had packed up their life in Illinois to start anew in Tulsa.

"Mr. Bailey brought Tommy to Tulsa and from the start, introduced him to people, to help him get acquainted in the city," said Randy Kaufman, a fellow Rotarian with Williams and longtime friend. "Tommy didn't need much help, though. He got himself going once he arrived."

This new start in Tulsa led to a bigger and better business venture – something Williams never expected but excitedly welcomed.

Catalog cover of the 1983 Bradmar Angus Purebred Cattle dispersion sale





Over the Thanksgiving holiday of 1985, Williams' son, Dean, came home from law school and proposed partnering with his father to create a real estate auction company. After moving to Tulsa, Tommy had gone into business with a young attorney and created New Market Auction Company. But when Dean shared his business plan, Tommy saw the opportunity such a change in plans could provide.

Tommy had one stipulation: that Dean complete law school. “I said, ‘If I let you come into this business, you must graduate from law school,’” said Williams.

Dean did just that, working full time for Williams & Williams Auctioneers while finishing up his studies and receiving his law degree from Georgetown University in 1986.

Williams & Williams focused during those early years on selling farm, ranch and high-end properties throughout the Midwest, Northeast and Southeast.

Tommy and Dean Williams ran the company jointly until 2002, when at that time, Tommy decided to pass the reins on

(Left Picture) In front of Alexander the Great's palace in Russia, while also exploring the auction industry in the country. (From L to R): Sue Maxwell, a friend of the Williams', Tommy and Trudy Williams

(Middle Picture) Trudy & Tommy Williams, South African Auction Alliance Managing Director Alon Kowen, and NAA's CEO Bob Shively with his wife Candy on a South African game preserve while in the country to discuss auction with the Auction Alliance.

(Right Picture) Tommy Williams at a sheep auction in New Zealand, while also researching the auction industry in the country.

to Dean. That same year, Williams & Williams had developed the Real Estate Owned (REO) Sales Division. This program provides services to the nation's largest banking institutions, selling their foreclosed properties. At this same time, Dean became Williams & Williams' CEO, allowing Tommy to head into semi-retirement and concentrate on his work with the NAA.

“Retirement is not something I can really ever imagine associated with Dad,” said Dean Williams. “He is just too engaged on too many fronts. Our careers together have been all I ever imagined and then some. Beyond father and son business partners, we also became best friends and closest confidants. His unwavering belief in me has been by far the single most important gift a father could have given his son.”

With the divisional growth and change of leadership in hand, Williams & Williams added more and more key players to the mix. One of these included Chief Operating Officer (COO) Pam McKissick.

“This young lady came along at a very good time, and I always say, I have these miracles in life,” says Williams. “I consider Pam McKissick another one of them.”

Dean Williams put the company on the fast track, taking it to another level. This included hiring proficient leaders to

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Business

Quick-change artists



Tommy Williams (left) and Dean Williams auction property in front of Tulsa's federal courthouse. Williams & Williams, founded by Tommy, has conducted more than 7,500 auctions since 1965, making it one of the nation's largest auctioneers of farms, ranches and large country estates.

STEPHEN HOLMAN/Tulsa World

Auctioneers help sell real estate in a snap

STORIES BY TOM DRAKE
World Staff Writer

Auctioning real estate is an exercise in the sheer efficiency of the marketplace, but says Dean Williams, "it's not rocket science."

Unlike traditional real estate sales, where potential buyers trickle in over several days, weeks or months, in real estate auctions, buyers come in a steady stream, says Dean Williams, president of Williams & Williams, the nation's largest auctioneer.

Over the years, the company has expanded on both of these fronts and can now claim to have conducted more than 7,500 auctions throughout the country since 1965. Williams & Williams

Williams said. In every sale, Williams & Williams receives a standard real estate commission for the transaction. The company provides turn-key services for all parts of the transaction, such as closing and abstract work.

Aside from country estates, other sales at Williams & Williams other include condominium

Midwest. To this day, the company prides itself in conducting sales of large-scale registered cattle enterprises.

During his travels, Tommy Williams often stopped in Tulsa. "My father fell in love with it," the son said, and in 1986 the family moved to Tulsa and reformed the company.

Dean Williams, with a law degree under his belt, and his father started

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Dean Williams, with a law degree under his belt, and his father started

handle senior management duties at the company. This growth in employment and attention to more organization at Williams & Williams resulted in exponential growth for the company as a whole. Williams' dream was coming to reality, watching this partnership developed with his son some 20 years back grow into a full-fledged, premiere real estate auction company.

This growth also created the vision for the formation of Williams & Williams Preferred Realtor Organization (PRO) in 2005. This allowed the company to enhance its relationship with Realtors. The company has also moved into corporate relocation and charitable licensing initiatives. All of these programs are an outgrowth of Tommy Williams' belief that all opportunities are found in change. "Throughout my life, whenever there came a change that might at first seem frightening I've had the good fortune to know people who could show me the opportunity on the other side of that door," says Williams. "My goal is to provide that same guidance to the NAA and its members."

Williams has taken a small real estate auction company in Tulsa and expanded its vision across the world. One of these led to a partnership and friendship with a South African auction company, Auction Alliance, and in particular its managing director, Alon Kowen. Williams has also been able to travel and study the auction industries in Australia, New Zealand and Russia. These international developments

A family picture out at the Williams' ranch in Oklahoma. (Front Row): Eric Mayall, Dutchess, Tommy Williams, Dakota Mayall, Smokette, daughter Georgia Mayall, Kyle Mayall, John Mayall, Shesa, Courtney Williams, Ebony, Stacy Williams (Back Row): Mother Elnora Bradshaw, son Dean Williams, Angie Williams, Milo, Megan Williams, son Dow Williams, Trudy Williams and Otis.



demonstrate the possibilities present in the auction industry as a whole, an idea very near and dear to Williams' heart.

Williams is a firm believer in embracing the future and the advancement of the industry, both technologically and socially. This includes a transition from purely on-location auctions to an online environment for competitive bidding such as the one used to sell Google ad space or eBay's online marketplace. Williams is currently working to educate skeptics about the possibilities present in these auction venues and how they can empower individuals by eliminating the middleman. This also means embracing new opportunities in business and not being afraid to build both domestic and international partnerships, as Williams has done over the years.

"I don't think you can go into a partnership unless you understand risk very well," said Virgil Lovell, a land developer and rancher with Land Specialists, Inc. and Ankony Farms. "Tommy understands risk and he's a man of his word."

Williams is passionate about upholding the NAA's mission and vision statements, and wants to instill a similar level of enthusiasm throughout the organization. "He is an individual with strong ideals, with integrity and fairness at the top of his list," says Trudy Williams.

And none of this would have been possible if Williams had not had his dream to become an Auctioneer at the age of 11. "Auctions are and have been a major part of my life," says Williams. "The auction industry has been the financial backbone of our family, just as it has been for so many of my friends in this business. In the end, the rise and fall of the auction profession rests squarely on the shoulders of every individual Auctioneer. And for each Auctioneer – just as it has been in my life and career – the key to a prosperous future is not to show fear, but rather to accept the challenge before us and embrace change. As NAA's President, I intend to lead the way." *TW*

"His love for and faith to my mother has set an example for me and those who know him that is second to none."

Dow Williams, Tommy's son.

T o m m y W i l l i a m s

seller, if not more, about the subject property. When selling real estate, Auctioneers should have title work and a survey completed so that the Auctioneer is aware of any liens, easements, right of ways or encumbrances in the public record. When selling personal property (machinery, automobiles, tractors, etc.) a lien search may be necessary so the Auctioneer is aware of any secured creditors (such as a bank) that may have an interest in the personal property.

An Auctioneer should carefully consider issues relating to the sale and conduct his or her due diligence search. When an Auctioneer conducts a due diligence search he or she will examine whether the seller owns the property to be sold and the status of the property. In addition, an Auctioneer may examine the title to property and whether there are any liens. Auctioneer should ask the seller questions about the property. If real estate is being sold, Auctioneers should consider obtaining a survey and title search. If personal property is being sold, Auctioneers should conduct a UCC search. In addition, Auctioneers should always conduct a bankruptcy search.

In the question above, it appears that the Auctioneer inquired about the status of the property and conducted a

UUC search prior to selling the machinery. Despite the efforts of the Auctioneer to discover the status of the property, the seller did not have clear title to the property. Afterwards, the seller disappeared with the money from the auction. In this instance, the bank sued the Auctioneer. Apparently, the UCC search was conducted using the seller's first name "Bill" when, in fact, his first name was "William." In this instance, a thorough UCC search may have disclosed the secured party's interest in the equipment. Auctioneers must verify the names of the seller and conduct the search using all possible variations of the name.

Finally, one reader asked about whether he or she could be held liable. Unfortunately, it depends on the claims asserted and evidence presented to the court. Since suit has been initiated against the Auctioneer by the bank, I cannot comment on the Auctioneer's potential liability or the buyers' liability. Liability for the sale of the machinery will be a legal issue that a court must ultimately decide. If the Auctioneer has not already done so, he or she should immediately discuss this matter with legal counsel.

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NAA HEADQUARTERS

Special events planned: Talk live online with NAA President

NAA members are invited to talk with NAA's new president Tommy Williams, CAI each month during a "President's Chat" on the Internet. This event on the first Tuesday of every month at 7 p.m. Central Standard time will make it convenient for members to ask anything they desire.

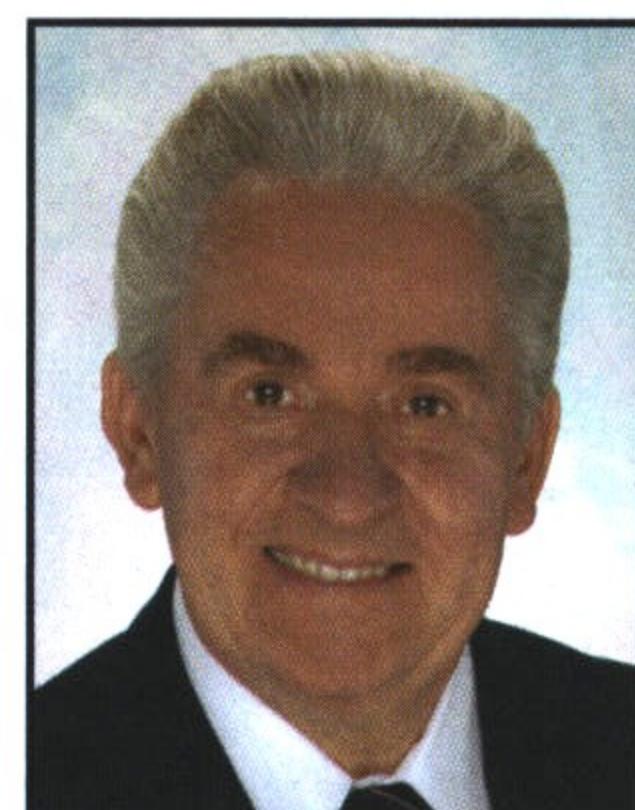
The first chat will be held Aug. 7. Details for how to log-on will be sent by email to all members prior to the chat.

The dates for the first six chat events are: August 7, September 4, October 2, November 6, December 4, and January 8 (the 1st falls on Tuesday so the chat was moved forward one week).

One important issue Williams wants to discuss with members is how to handle change in the auction industry. He says in his President's column in this issue that change "Those that adapt and understand the scope of this opportunity will prosper beyond their wildest dreams," and that "The change and innovation that is occurring in every aspect of our business is happening at light speed. The key is not to show fear or animosity to change or innovation, but to embrace it, rising to the challenge it presents."

Members are encouraged to discuss the varied aspects of these changes.

President Williams want to be one of the best communicators with members that have ever filled the role of NAA president. The association will benefit greatly from this exchange of ideas. Please join the monthly chat!



Williams

State of Industry Report in this issue

NAA members are encouraged to read the insert in this issue summarizing auction industry economic statistics for the first half of 2007.

This report, by Morpace, describes the growth of the industry and can be used by NAA members in publicity to promote their businesses. Newspapers, television stations and other media continue to respond well whenever NAA and its members send interesting trend details showing how auctions are growing. Please review the inserted brochure for statistics about your specialties and then send a press release to your local media using them to use that as a springboard for a story about your business.

NEW JERSEY

Another NAA Victory in New Jersey court case

As explained in last month's *Auctioneer*, the NAA participated in a case pending before the New Jersey Supreme Court relating to auction and contract law. Attorneys Joshua A. Burkhardt and Kurt R. Bachman submitted a brief on behalf of the NAA. The brief explained the law relating to absolute auctions – a binding contract is created between the seller and the bidder by the submission of the highest conforming bid. In addition, the NAA argued that the contract cannot be invalidated because of the confusion of one party.

The Supreme Court made its decision on May 1, 2007, and agreed with the NAA on the auction and contract law issues. The Court ruled that Anne Covey's bid did not conform to the offer, and therefore, it did not act as an acceptance. Instead, the Court ruled that Joseph Panetta submitted the highest conforming bid and had an enforceable contract for the purchase of the real estate.

On May 11, 2007, Anne Covey submitted a "Motion to Reconsider" with the Court arguing that the case was erroneously decided. She argued that she had a binding contract to purchase the realty due to the submission of her bid, even though it did not conform to the offer. The Court invited the NAA to file an answer. Joshua and Kurt prepared a brief opposing the motion and arguing that bids submitted at an absolute auction for the purchase of realty must conform to the offer made by the Auctioneer in order to create a binding contract. Since Joseph Panetta submitted the highest conforming bid, the contract for sale of the property was between Equity One and Panetta.

The Supreme Court agreed with the NAA and denied the motion to reconsider on June 15, 2007. The NAA though its involvement in this appeal has been able to help shape the law on absolute auctions. NAA members should be proud of their involvement in this appeal and their impact on the law.

NORTH CAROLINA

Award given to NC Auctioneers

A special leadership award was presented at the Auctioneer Association of North Carolina convention in July. The award was presented to Auctioneers who have faithfully represented the auction profession by giving of their time, talent and money to serve in the top four roles within North Carolina: President of the AANC, State Champion Auctioneer,

Chairman of the NC Auctioneer Licensing Board, and Inductee into the Hall of Fame.

AANC has operated since the early 1960s and these five gentlemen are the only ones to accomplish this feat: Ernie Curlee, Charlotte, NC, American Auction; Bill Forbes, Cresswell, NC, Forbes Auction and Realty; Tom McInnis, Rockingham, NC, Ironhorse Auction; Bill Lilly, Norwood, NC, Ironhorse Auction; Bill O'Neal, Norwood, NC, O'Neal Auction and Appraisal.



Arizona bid call champions include champion Rowlan Hill, center.

ARIZONA

Arizona State Auctioneers Convention drew 46 attendees

The bid calling contest winners were Rowlan Hill, 2007 State Champion; Daren Shumway, 2007 Reserve Champion; Colleen Dehler, 2007 Women's Champion, People's Choice Champion and Third place overall; and Jeremy Hodges, 2007 Rookie Champion. There were 13 contestants.

The Ringman Championship results were Bobby D. Ehlert, 2007 State Champion; and Justin Hargrave, 2007 Reserve Champion.

Both contests were outstanding and a special thanks goes to the Chairmen: Paul Ramirez, Auctioneer's Contest; and Jeremy Hodges, Ringman's Contest.

The Advertising Contest's Best in Show and overall winner went to Mangold Auction Service of Wickenburg, O.C. and Joani Mangold.

Newly elected officers of the association are: Daren Shumway, President; Marc Geyer, President Elect, Jeremy Hodges, Treasurer; Colleen Dehler, Secretary; Dan Devary

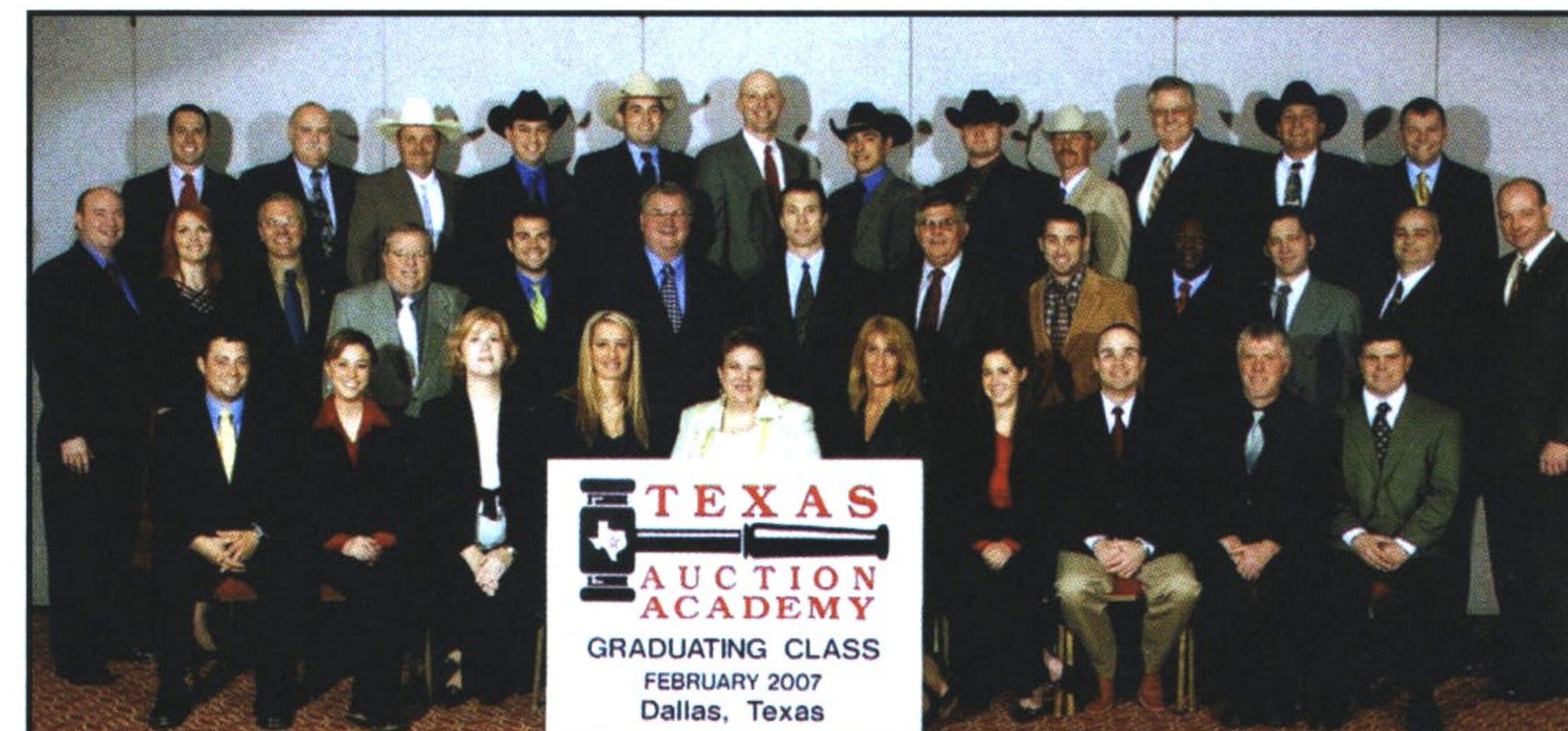
and Dan Mercer, board members.

Highlights of the conference were the outstanding presenters. They included:

- From the NAA, Jeff Stokes gave seminars that are applicable to many aspects of the auction industry and life.
- Glen Nelson, CEO of The Mahoney Group, spoke on sales and the dynamics of auctions from a buyers perspective.
- Tom McDermott, of Metro Auto Auction of Phoenix, told of his story and taught on the importance of a good auctioneer and what makes a good Auctioneer.
- Marc Geyer of JP King, spoke on the dynamics of real estate auctions, and what a growing market they are.

The Conference concluded with an awards banquet and dinner along with a Fun Auction where Weston Shumway won the 2007 Arizona State Jr. Bid Calling Championship.

Joani Mangold donated and auctioned copies of her print. Also a special mention and tribute to OC Mangold for being inducted to the Minnesota Auctioneers Hall of Fame.



Texas Auction Academy class of February, 2007.

TEXAS

TAA raises over \$10,000

From February 2006 through February 2007 the students of the Texas Auction Academy in Dallas raised \$34,447 for St. Jude Childrens Hospital. The school has been conducting these auctions for many years. In 2006 the school was awarded the Horizon Award from St. Jude. In addition, school director/owner Mike Jones annually conducts the St. Jude auction event Dallas with Joe Haggard.

The school also conducts a fundraising auction which in part benefits Scottish Rite Hospital for Children. The school conduct this auction four times a year with each class. From February 2006 to February 2007, our classes raised a combined \$21,519.50 on behalf of Scottish Rite in Dallas.

continued

The February graduating class raised over \$10,000 for St. Jude Children's Hospital in Memphis, Scottish Rite Children's Hospital in Dallas and the NAA Auxiliary.

When the final numbers were added up, Scottish Rite received \$4956.25, St. Jude received \$4033.75 and the NAA Auxiliary received \$1,010 for sales of its "Unsung Heroes" prints. Two very special moments took place, as the class dedicated \$1675 to Scottish Rite in the name of Instructor, Rocky Strickland who barely survived a near fatal heart attack the week before auction school started and who took his first out of hospital trip to visit the students as they were preparing to graduate.

The class also presented School Administrator Lori Jones with a special gift in acknowledgment of her hard work and dedication. Since 1993, the school has helped raise tens of thousands of dollars by conducting the in-class auctions to help children, support the auction industry and to demonstrate to its graduates the satisfaction and duty of giving back to the community. Students attending the February class represented eight states.

ALABAMA

King inducted into Alabama Auctioneers Hall of Fame

Christie King, CAI, AARE, has been elected to the Alabama Auctioneers Hall of Fame, making her the third member of the J.P. King family to receive the honor.

Her election was announced at the annual gathering of the Alabama Auctioneers Association in Gulf Shores. She joined ranks with her father, J.P. King III, and her brother, Craig King, in the Hall of Fame.

"I was both shocked and honored at my induction," said Christie, who has served as president and chairperson of the organization.

Making the presentation was Craig King, who was elected to the Hall of Fame in 2006. "Having Craig make the presentation made this honor even more special," said Christie, who was Alabama Champion Auctioneer in 1995 and serves as a director of the National Auctioneers Association.

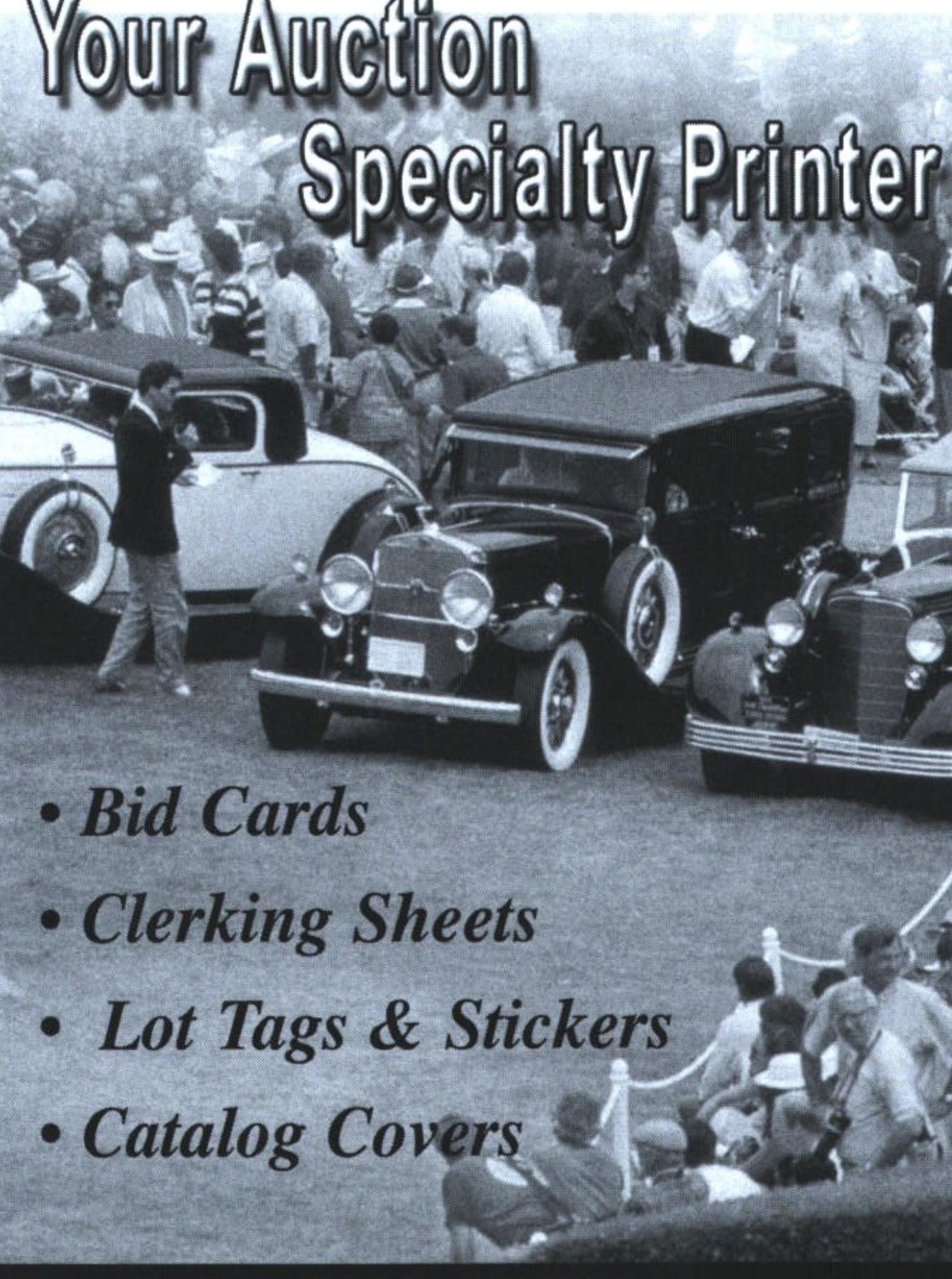
She is a licensed broker for J.P. King in nine states and conducts benefit auctions throughout the southeast to help raise funds for non-profit organizations.



King

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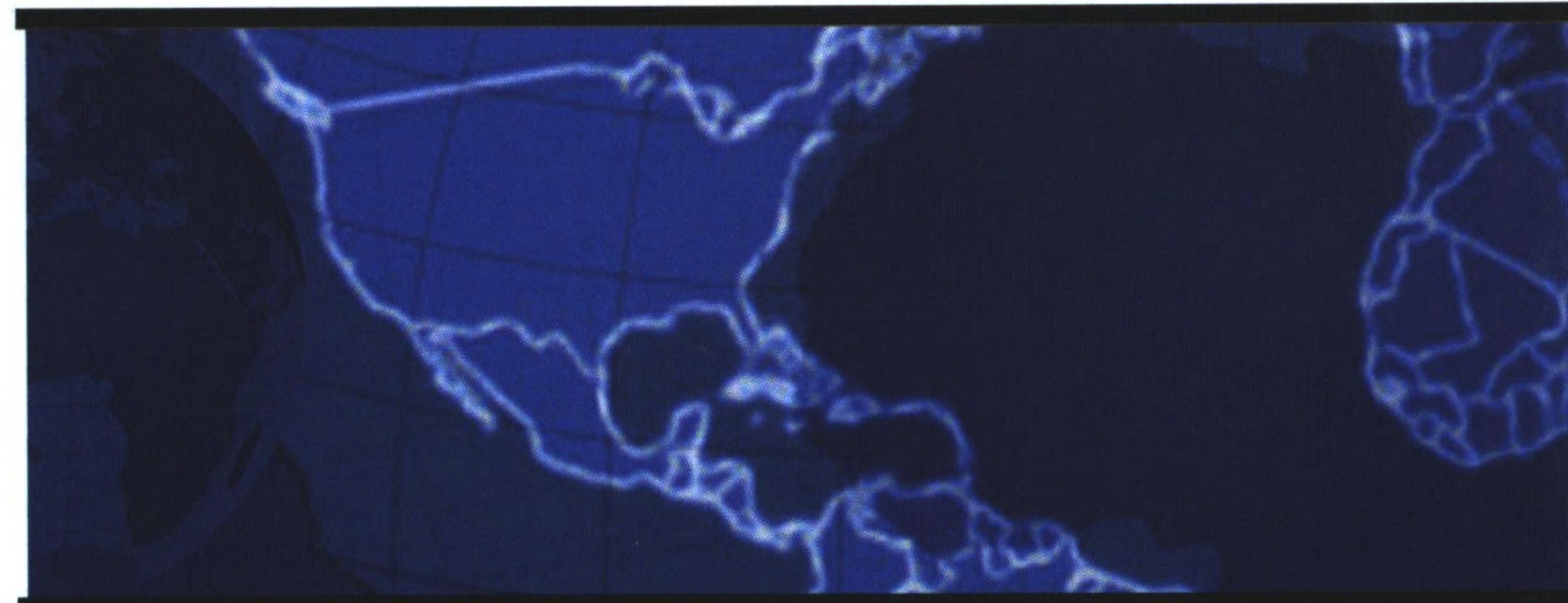
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MarkNet Alliance would like to thank everyone who visited us as at the NAA Conference & Show in San Diego. This year's show truly was full of "Great Ideas and Great People."

Thanks again, and for further information about MarkNet Alliance visit us on the web at www.marknetalliance.com or call 217-820-0164.



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Conducting real estate auctions solely online is growing trend in the market

Some NAA members are taking clients' real estate and selling it exclusively on an Internet site, with no onsite auction at all.

This may be done through the Auctioneer's own website, the eBay real estate site, or a real estate specialty website such as Realtybid.com (featured in last month's *Auctioneer*).

NAA recently sent a mass email request to members asking for input for this story about how they are conducting real estate auctions online only. We asked you to explain why you are trying this method, how successful it was, what steps you followed, and what factors make a certain property a good candidate for this venue.

NAA members explained about many factors, detailed in the responses below. A consensus seems to be that online-only auctions will continue to grow.

Auctioneer Doug Heuker replied that "We have sold a few pieces using exclusively online bidding and it has worked out pretty well for us. The properties we have sold were smaller dollar properties, which were maybe not conducive to sending a crew out to sell. We have marketed them like we would any other parcel of real estate, but just used the online bidding process instead of an Auctioneer on site.

We have used it on parcels where maybe there was no electricity available onsite or where we knew there was going to be very limited interest and wanted to avoid the issue of lack of excitement due to a small number of attendees. We have also used it on parcels that were maybe out of our normal operational area. We have experienced good bidding so far using this method, but I can see where there may be some pitfalls such as instantaneous paperwork signing and deposit process that a live on-site auction has. Fortunately, we have not experienced any problems with that thus far."

Richard F. Kruse, of Lewis Center, OH, replied that "I am selling both live and online right now with Proxibid. I am also in the process of developing terms and conditions for online only. HUD currently has a process for selling foreclosure houses and that is mostly what I sell. My investor buyers are already used to the concept, so I am going to give it to them. It is going to be one of the 'staple' products we offer in the very near future."

Here are other highlight emails about selling online only.

His first online real estate sale in 1994

Auctioneer William F. "Billy" Burke, CAI, AARE said "I sold my first parcel of real estate online in 1994 founded the

first B2B Internet auction company in 1998 and joined the NAA in 2000 to become the first "dot commer" to transition to bricks and mortar."

Every single real estate auction I have ever been involved with has included on-line bidding and we have custom auction soft-

ware on our website. I was in the original group of powersellers on eBay in 1998 but most of the real estate I sold back then was deeded timeshare weeks when real estate was "outlawed" on eBay. In 1999 I got kicked off Amazon auctions for selling real estate; it was a prohibited item then.

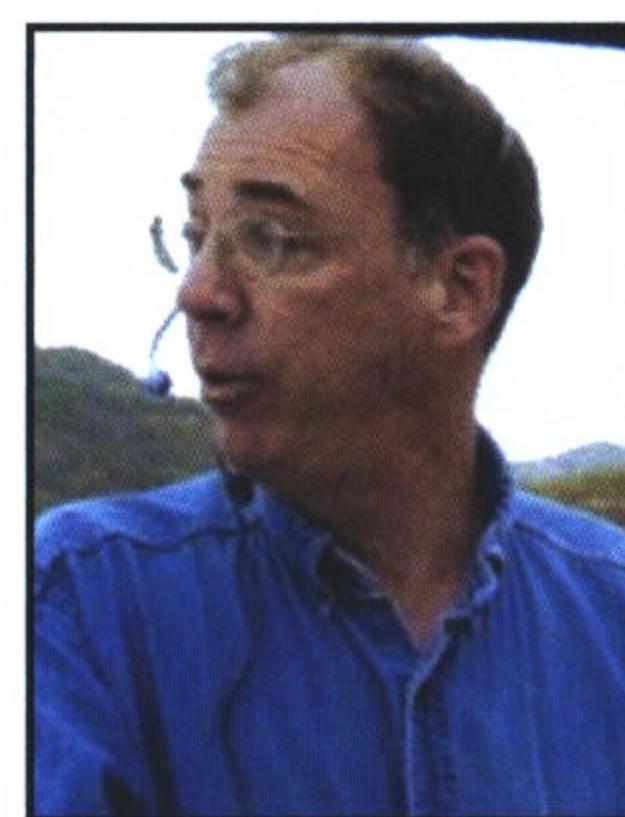
We are now 'Titanium Powersellers' on eBay and use the venue to sell low end real estate and promote higher end real estate auctions...Internet auctions have been part of my daily life for close to ten years. Right now we are conducting over 50 Internet-only auctions, with five of them tied to live events."

"The types of real estate we are currently offering at Internet only auction start with camping lots offered unreserved or absolute starting with a \$1.00 bid being sold to the highest bidder regardless of price. Residential homes, building lots, recreational land, commercial property, and special use properties."

She tried eBay real estate with mixed results

Linda Mardi, president AuctionFirst.com, writes that "AuctionFirst will soon add an online auction site, to include online only, simulcast live/online, and online opening bids leading to a second auction. We've found that the current online auction venues NAALIVE, Proxibid, LiveAuctioneers) have some limiting capabilities, although I'm sure they're improving the feature/functions to deal with real estate, the technology isn't yet where it needs to be from these larger sites. There are other software packages available that have more ability to accommodate the flexibility needed.

To date, we've done one online only auction via eBay. The reserve was not met, although it had 77 bids, 19 bidders and most importantly brought in 40+ prospects who then were invited to continue bidding at a live onsite multi par auction. (online multi par technology has a ways to go). The winning bidder was a couple from Idaho who bought sight-unseen for \$359,000, bidding over the phone - this will be their retirement home, part of a lovely 17 acre Texas pecan orchard and homestead with rental income. The buyer told me that he was comfortable buying sight unseen because of the vast amount of material we had made available on the property that includ-



Burke



Mardi

ed sellers disclosure, inspection reports, appraisals, plats, photos etc. He told me that he & his wife had earlier purchased a car over the internet, had it shipped to them, and they were extremely pleased with the process. They agreed that their next step would be to buy real estate online. Keep in mind that this is a couple in their 50s-60s.

We believe that online only auctions will happen more and more frequently as consumers become more comfortable with the process and have a trust factor that their expectations will be met regarding the quality/style of the property for their particular purpose.

He uses website to get opening bid for live auctions

Michael A. Barber, of Wilmington, NC, writes that "We here at ArkadiA Realty use our website <http://ArkadiARealty.com> to start the bidding process online for all of our real estate auctions. The rationale is to get an opening bid for the live auction and to allow out-of-town folks to be part of the process. The online auction will run for 30 days prior to the live auction and will end at 5 p.m. the day before the live auction. The high Internet bid becomes the opening bid at the live auction. I almost always have a starting bid from the Internet so I don't have that weird opening chant trying to get that first brave soul to bid. I have a bid and I move on.

We also allow use live Internet bidding during the auction and of course phone-ins. We use Steve Van Eeden's Maxanet. It is the easiest program we have been able to find not to mention the fact that it has never crashed during an auction. The registration requirements are the same for Internet bidding as the live auction and generally works via emailed documents."

Williams Co. handles online auctions on own website

Fontana Fitzwilson, of Wlliams & Williams Co, of Tulsa, OK, said the firm is selling real estate online nationwide on a monthly basis. "The recently launched service (1st Quarter 2007) is focused on supporting the sales of low value properties (below \$50,000) by increasing bidding access to those interested in investing in this type of property, which is typically single-family homes and lots.

This property type/value band currently represents only 5% of the thousands of properties we sell each month. Nevertheless, we've been encouraged by the participation and efficiency of our online auctions for these low value properties and plan to continue its usage.

The online only auctions are handled directly on our own website in conjunction with all of our real estate auctions. It allows us to manage the sale of lower end properties within our same proprietary marketing platform which has traditionally been focused on more expensive real estate, while creating cost and timeline efficiencies that are critical to our sellers needs."

NAA will follow-up this story in coming months with more comments and examination of issues. To contribute your comments for that story, email to steve@auctioneers.org.

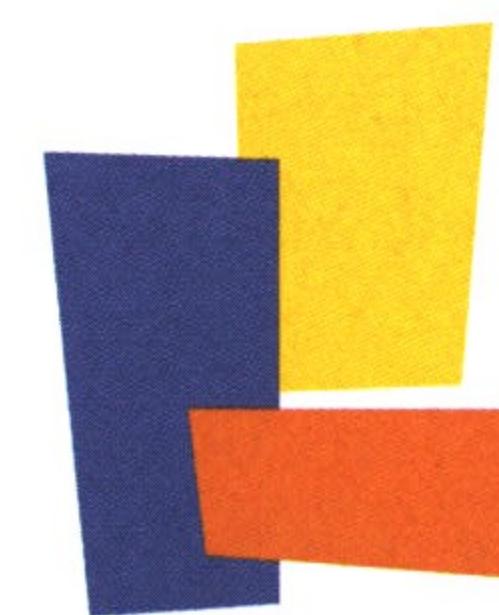
Story by editor Steve Baska

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His first two auctions are successful

Auctioneering lures real estate agent into auction industry

By Russ Munyan



Ryan Dorman conducts his first auction, for a sorority.

When Ryan Dorman was a boy, his father used to take him to weekly used car auctions; perhaps he thought the lad would grow up liking cars, just like his dad, who owns a used car business.

The elder Dorman probably never expected that it was the auctioneering that Ryan would grow to love, not the cars.

"I was mesmerized by the Auctioneers at the weekly auctions, by their ability to sell cars and to talk so fast," remembers Ryan.

Years later, Ryan came in contact with Auctioneers again – this time selling real estate. It was in 2003 that Ryan began selling residential real estate in Indianapolis. When he lost two potential listings to real estate Auctioneers, he began to take seriously his lifelong fascination with the profession.

"I always win competitive listings for my brokerage, but I was not able to beat out the option of an auction for those two clients. I started thinking that maybe being an Auctioneer was another bullet that I needed in my gun."

But it was not until November 2006 that he acted on that thought. He was in New Orleans attending the National Association of Realtors annual Conference & Expo where attended a session titled "Auctions No Longer a Last Resort."

Bill Sheridan, president of the National Auctioneers Association, who was the featured speaker, reported that residential and commercial real estate sold annually at auctions is expected to reach \$260 billion.

That did it for Ryan. Within weeks, he had begun Auctioneer training back home in Indiana at the Repperts School of Auctioneering. Now, just a few months later, at age 31, he has two successful auctions on his resume and is making big plans to combine his real estate sales with his auctioneering.

Prospecting for auctions

Ryan tries to spend time every day on the phone prospecting for auctions, but his first two auctions actually came to him. The first one was just a few weeks after completing his auctioneer training. Ryan donated his services for his real estate office's annual holiday auction. About 30 to 40 realtors attended and Ryan auctioned 60-70 items, raising \$6,000 for the St. Mary's Child Center in Indianapolis. "In previous years, some of the other agents – who did not use any bid calling – had auctioned the donations, and the bidding drug on and on. Once I started bid calling this year, things really went fast. It was very exciting, everyone had a good time, and we raised a lot of money. Afterwards, everyone encouraged me with how well it had gone."

"But don't think of that as my first real auction," he chuckles. He reserves that label for the evening that he spent with the Indiana University Delta Delta Delta Sorority, where his sister Amanda is a member. At the sorority's annual Mom's Weekend, the freshmen moms all donate items to be auctioned to raise money to support the sorority's team for the annual Little 500, the largest collegiate bike race in the United States. Sponsored by the Indiana University Student Foundation, the Little 500 raises over \$35,000 in IU scholarships.

“I started thinking that maybe being an Auctioneer was another bullet that I needed in my gun,” said Ryan Dorman.

Each year, the “Tri Delta” race team needs items like a racing bike, uniforms, entry fees and the like, all of which are funded by the annual Mom’s Weekend auction. About 60 of the sorority women and their mothers attended this year, with 28 items up for bid.

“Everyone was having so much fun that I was really sorry when the last item finally sold,” says Ryan. “You should have seen those moms bidding; they were really competitive. In some cases, their daughters were laughing and holding their moms’ hands down to get them to stop bidding, saying, ‘Mom, its not worth that much!’”

Ryan recalls that many of the items sold for double their retail value.

“Boy, I learned one lesson the hard way though. I held up a pair of really ‘girly’ sunglasses and said, ‘These look like Paris Hilton sunglasses.’ Suddenly everything got really quiet. After a moment, a mom said good-naturedly, ‘We really don’t want our daughters to look like Paris Hilton.’ Everyone laughed, but I sure knew what not say the next time.” By the end of the

night, the auction had raised \$3,000, doubling the sorority’s goal of \$1,500.

From here, Ryan wants to grow his experience and reputation by doing more fundraising auctions. He intends to eventually do real estate auctions, perhaps starting his own real estate auction company. He has joined NAA, reads Auctioneer magazine every month, and regularly visits and uses the auctioneers.org discussion forums and videos.

“NAA is like a fraternity, filled with people to help you and answer your questions.”

And Ryan’s dad? He is proud of how things turned out with his son. “He always makes me show off at cocktail parties, saying, ‘Go faster!’” With his good start under his belt, Ryan should have lots of chance to develop his speed in the coming months and years, even though he may never auction used cars.

Freelance writer Russ Munyan lives in Olathe, KS and can be reached at russ@russwrites.com.

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Estates sales opportunities are blown away

Auctioneer in tornado-ravaged town adjusts his business, helps neighbors

By Billie Shelton

When a massive tornado hit the small town of Greensburg, KS on May 4 destroying 90 percent of the town, Auctioneer Scott Brown's auction building was one of only three left standing in the town.

The disaster caused Brown to swing in to action to help his neighbors and, later, to adjust his auction business by widening his client coverage area.

Brown quickly reacted by opening the 5,000 square foot area of the building where auctions are held to be used as temporary office space for a half-dozen businesses that were displaced by the twister.

"There's not a business left along our main street," according to Browner, owner of Brown Auction and Real Estate, whose building is on the east end of town. "And even my neighbor's businesses were damaged."

Once he saw his building was still standing, Brown said later that he "immediately ordered 20 additional phone lines into my building. We set up tables and chairs, so with that and a phone line dropped out of the ceiling they at least had a place to try to get restarted."

Business owners can't carry on with their businesses out of their homes, because they don't have a home either, he said.

"They'll probably be here (in the auction building) a year from now."

"I could be the city hall here, and I could be the courthouse, too," jokes Brown, an NAA member for about 15 years. "We hold community meetings and church services here. Everything goes on here."

Except his auctions. Brown says he has turned down several auctions since the tornado and has cancelled several others that were scheduled. Not only is his auction space otherwise occupied, but as he puts it, "for household auctions, all of that got sold the night of the storm. Anyone who comes back (rebuilds their house in Greensburg) will have all new stuff. And if they're not coming back, they have nothing to sell."

Although he admits the tornado will affect the auction portion of his business, Brown is upbeat about other aspects of the business that was started by his late father John in 1940. "I do lots of land auctions, and that won't change. Farm sales won't change, either," he notes, adding that he does plan to expand his auction coverage area now to bring in more business.

Since the EF5 tornado struck, Brown has been assisting the



An aerial photo of destruction in Greensburg, KS. Photo by Wichita Eagle. Reprinted with permission.

townspeople with real estate transactions.

"Right now I'm helping people buy and sell their lots as more of a service to them," he said. "My interest is to see everything gets done properly for taxes, liens, and things like that."

A major aspect of the business wasn't affected by the storm, either, since for the past 25 years Brown Auction and Real Estate has been specializing in antiques as they sell for people from coast to coast. That includes Brown traveling to neighboring states and as far as Michigan to conduct antique auctions.

That's another reason Brown is thankful his building escaped damage from the storm, since at the time there were three consignments in the building.

"Everything could have been blown away," he comments.

If that had happened, Brown says his insurance would have covered the loss. Having adequate insurance is the cornerstone of his disaster plan, but he admits that in hindsight "it would have been great to have a disaster plan in place. Everyone needs to have one."

Brown's new home destroyed

Brown was fortunate the building housing his business escaped harm from the tornado that killed 10 people in addition to devastating property damage in the community of 1,400, yet he and wife Susan didn't fare so well with the home they had purchased May 1 in Greensburg.

"We bought it because it was beautiful," Brown states. "It

was on five acres with plenty of trees on the lot." The bad news is the house and trees are all now gone, but the good news is the Browns had not yet moved into their new house.

Unlike basically everyone else in the town, Brown did have a bed to go home to after the storm hit May 4 at 9:40 p.m. The Browns live in Mullinville, about ten miles from Greensburg, so their house was unharmed. "I came over to Greensburg when I heard the storm was coming," Brown recalls. "I sat outside and saw the tornado tear up the town. I was right behind the storm."

Brown assisted with the very first rescue efforts in the chaotic aftermath of the tornado, when streets were still littered with debris that made them impassable.

"We pulled people out of houses and carried them to our pickups so they could be transported to ambulances that were waiting on the edge of town because they couldn't get in," he remembers.

Ten people lost their lives in the tornado, at least one Brown helped rescue.

"I knew most of the victims," he said. "In a small town like this you know lots of people."

So not only is the Brown Auction and Real Estate business a



The Brown auction crew includes, from left, Jon Myers, Lori Myers, Jamie Brown, Traci Gumpenberger, Susan Brown, Brian Gumpenberger and Scott Brown. (Lori, Jamie and Traci are the children of Scott and Susan Brown).

haven since May for displaced businessmen, the Brown's home became a shelter for families with nowhere to go. Immediately after the storm seven families were sharing the space, but that number is now down to two.

Brown, 56, also has a 5,000-acre farming operation. He has no doubt the auction business he grew up in and called his first auction in at the age of 17 will survive.

"We are way more fortunate than most around here," he observed. "We've been here all our lives and will be here till the end of it, so we want to help out."

The memories of what has happened around him have given him a new perspective.

"Lots of my friends didn't have anything when this was over, just what was on their backs," Brown said. "But in the end, the stuff really didn't matter. Those things don't seem nearly so important. Antiques are fine, but the best antiques are our old friends. We've learned through all this to put more emphasis on that end of our lives."

Freelance writer Billie Shelton lives in Stanhope, IA and can be reached at shelton@netins.net.



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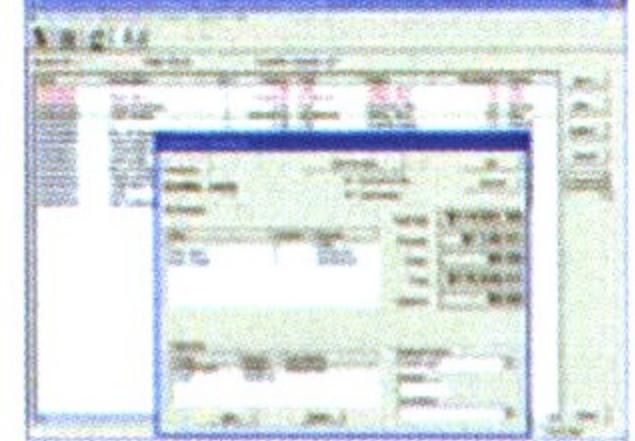
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Randy Wells' auction day crew pictured from left to right are: Reed, Gaylia and Ryan Nord, Potato State Auction Group; Dan Williams, Williams Auction Company; Bonita and Doug Buell, Real Estate Auction Partners; Annette Wells, Harold Porret and Randy Wells, MR Auction and Realty Auction Services; Paul Adams, Corbett Auctions, Sue Stallard, MR Auction; Todd Davis, Real Estate Auction Partners, John Pol, MR Auction; and the 1913 Case 20-40 tractor that sold on auction day for \$60,000.

When networking with NAA members pays off

By Auctioneer Randy Wells, CAI, ARRE, BAS, CES, GPPA, NAA President-elect, and Annette Wells, BAS, of Post Falls, ID.

Networking by attending our state and national conventions has paid off extremely well once again.

About four months ago Kurt Aumann, CAI, of Aumann Auctions located in Nokomis, IL, contacted our company. They had been contacted by a seller to do an antique tractor and engine auction in Idaho Falls, ID. Because of timing, Aumann Auctions was unable to conduct the auction in the seller's timeframe and they called to see if our company, MR auction could conduct the auction.

After touring the site with Kurt Aumann, we agreed to conduct the auction and Aumann Auctions would do the marketing. National networking in action! Our schedule was also pretty full and two of our partner Auctioneers were unavailable that weekend. Since this auction was over 500 miles from home, we needed to hire other Auctioneers, ring people, clerks and cashiers. Everyone I called was happy to help and we were all looking forward to working with each other for the first time.

Auction setup took several days and was done by owner Becky Baisch, John Pol and Harold Porret from MR Auction and Dan Williams, Williams Auction Company, Rexburg, Idaho. Auction coordinator Annette Wells, BAS, co-owner of MR Auction managed setup. MR Auction staff on auction day included; Head cashier Sue Stallard, Auctioneer, Randy Wells, Auction coordinator, clerk and cashier, Annette Wells and ring person and set up crew John Pol and Harold Porret. Others team members hired for auction day included: Cashier, Gaylia Nord, Potato State Auction Group, Rigby,

Idaho, awesome clerk Bonita Buell, Real Estate Auction Partners and auctioneers and ring people: Reed and Ryan Nord, Potato State Auction Rigby, Idaho, Dan Williams, Williams Auction Company, Rexburg, Idaho, Paul Adams, Corbett Auctions Meridian, Idaho, Todd Davis, and Doug Buell, Real Estate Auction Partners, Twin Falls, ID.

The auction started at 9 am with two rings selling all day. We ended up with a fifteen-hour auction with hardly a problem encountered. Everything went extremely smooth considering most of us were working together for the first time. Everyone knew their job and some even had extra duties they had never done before. Each ring had on-line bidding during part of the auction and the tractor and engine ring also had phone bidders from California, Canada and Belgium.

One of my first thoughts that morning was, "Okay, here we go, we have two rings selling with live bidding, on line bidding, phone bidding and sealed bids and most of us have never worked together". Let's have an auction. Everyone knew their job and did their job extremely well. Even though I had not worked with many of these people, I had met them and knew them from attending our state Auctioneer conventions. Again, networking at its best!

Everyone was professional, knew their job and worked above and beyond the call of duty. Annette and I want to thank everyone again for their support and professionalism during this auction. Every day is a good day, but thanks to all of you, it made it a great day.

Black Swamp benefit bazaar raises \$180,000

The 6th Annual Black Swamp Benefit Bazaar, held June 15-16 to benefit Sunshine Inc. of Northwest Ohio and Mennonite Central Committee (MCC), raised a total of \$180,000 during weekend events. According to Bob Aschliman, treasurer of Black Swamp Benefit, Inc., that preliminary total is down from 2005's record collection but is a big improvement over 2006. When pre-sale fundraisers and other donations are added to the total, Aschliman expects each of the groups to net approximately \$80,000, compared to the \$69,000 received last year.

Bob Frey, Mark and Kevin were the lead auctioneers for this black swamp event. Joyce Frey and friends were auction organizers. "On Friday evening we sold ground cherry pies with the highest going for \$90," Joyce said. "Many people consider the plant to be a weed but we like the fruit as pie. There were 16 quilts that sold for \$1000 or more. Bob knows how to sell quilts and we had many unique designs. There were also beautiful handcrafted tables, timber benches, and marble rollers."

The top selling quilt was a vintage piece made in 1960 and signed by 56 women from West Clinton Mennonite Church in Wauseon that sold for \$3000. The 2007 feature quilt, "Spring in the Swamp" sold for \$2600 and a donor matched the total with a gift of \$3000. The "Rising Star" quilt donated by Sarah Basinger and Linda Suter of Bluffton, Ohio brought \$2,300 at auction. A total of 16 quilts sold for \$1,000 or more. The top-selling wood item was a claro walnut coffee table made and donated by Lindsay Graham of Grand Rapids, Ohio that brought \$1,750 at auction.

Donations were accepted for Sunshine's new therapeutic horseback riding program and \$3905 was raised during the auction. Construction is slated to begin on an addition to the current Sunshine barn and an indoor riding stable this summer. Donated funds will be designated for operating

costs of the new program.

The Penny Power coin collection program was up significantly from previous years thanks to \$13,000 in new local matches. With local and regional matches, Penny Power expects to net \$46,000 for MCC water projects. While some funds are designated for Sunshine projects and some for MCC, total proceeds are split evenly between the two charities.

Sunshine's portion of the proceeds is used for spiritual life programming, capital projects, furnishing resident living areas and meeting individual resident needs. MCC serves people in need around the world by feeding the hungry, healing the sick, rebuilding homes, helping till soil and plant crops and encouraging peaceful conflict resolution. Information is on www.blackswampbenefit.org

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Fox Residential Auctions expands alliance with Long & Foster

OWINGS MILLS, MD -- Fox Residential Auctions, LLC and Long & Foster® Real Estate, Inc. have expanded their business alliance to provide professional auction services to more Marylanders selling or buying homes.

Last year, the two entities formed an alliance wherein Long & Foster agents can arrange for Fox Residential Auctions to set up public auctions for clients in Long & Foster's Greater Baltimore Region, which operates 50 offices.

Now, the alliance is being introduced in Long & Foster's Southern Maryland Region, which comprises 16 offices in Andrews Air Force Base, Bowie, Camp Springs, Charlotte Hall, College Park, Deale, Dunkirk, Fort Washington, La Plata, Laurel, Lexington Park, Mitchellville, Prince Frederick, Solomon's Island, Takoma Park and Waldorf.

Whenever a Long & Foster agent has a seller interested in auctioning a home, the process is as follows:

- The Long and Foster agent refers the seller to Fox Residential Auctions.
- Fox Residential Auctions schedules the auction with the seller.

Fox Residential Auctions creates and implements a proactive advertising and marketing program designed to maximize buyer interest.

- The Long & Foster agent and Fox Residential Auctions conduct open houses and inspections by appointment.
- Fox Residential Auctions provides weekly reports to seller.
- The auction takes place within one month.
- The successful bidder signs the contract at the auction.
- The Long and Foster agent and Fox Residential Auctions attend the settlement, which has been scheduled prior to the auction.

"Overall, auctions are an excellent way to sell your home in a short time frame and maximize results, particularly in a difficult market," said Fox Residential Auctions Chairman and CEO Bill Fox, whose 46-year career in the auction industry has earned him numerous awards and induction into the National Auctioneers Association Hall of Fame.

"No other method of selling is more effective or more efficient for both the buyer and seller," Fox said. "Buying a home at auction ensures that you will never pay more than fair market value for a property, as the terms and conditions of sale are the same for all potential buyers."

Fox Residential Auctions, LLC is believed to be the only company in the nation exclusively selling residential real estate

for sellers choosing the auction method (instead of selling their property themselves or through a Realtor®). For more information, contact (410) 654-1290 or www.fox-residential.com.

Total Auction Software Solutions integrates with Multi-Par Bidding System

AUGUSTA, KS – TASS-Total Auction Software Solutions, the emerging provider of auction management software, is announcing a software integration agreement with Micro Consultants, LLC, makers of the Multi-Par? Bidding System. TASS is now able to offer the Multi-Par? Bidding System as an option with the TASS Clerking system.

This new agreement will pair a great clerking software program with a great multiple parcel software program. Initially, Multi-Par will be accessible by clicking a link within TASS. In the future, TASS and Multi-Par will implement full functional programs that will provide for full compatibility between each program.

Kurt Woodward, the National Sales Advisor for TASS remarks: "This new partnership makes sense in an industry that has shown a greater desire for technology assistance in the way auctioneers conduct their business. Multi-Par is a company with a reputation for providing a great product for many years. We are excited about this new relationship and look forward to providing this product to our existing and future TASS customers.

Kent Brenton, owner of Micro Consultants and Multi-Par comments: "I think that offering the Multi-Par Bidding System as an optional "snap-in" to the TASS system will be good for everyone--the combined systems will appear seamless to TASS users. We will continue to sell and support the Multi-Par Bidding System as a standalone system--that will not change. But our agreement means that TASS users can easily access the Multi-Par software with a simple mouse click in the TASS menu."

Hundreds of Auctioneers have purchased the Multi-Par Bidding System. It is well known for being comprehensive and easy to use when selling multiple parcels, subdivision lots, rental houses, even timber. In 1991, Micro Consultants became the first company to offer multiple-parcel software for sale to Auctioneers.

To talk with a representative about TASS or Multi-Par, call (866) 609-3994 or visit our website at www.tass-software.com. Visit the Multi-Par Bidding System website at www.multi-par.com or call (812) 963-5616.

Auction calculator offered

A new product called the "auction process cost and benefit real estate bidding calculator" is offered by Auctioneer Saul Larner.

Can you calculate the total net financial gain for a prospective bidder's purchase for any given number of years? Further, can you do it in 30 seconds or less, which is a major plus so you don't hold up the bidding?

Would having this information at your fingertips help ease bidding resistance over the last several thousand dollars?

Now you can enter any intended purchase price, adjust the financial parameters like interest rate, average rate of appreciation, annual taxes, etc. and the bottom line is revealed. Imagine the power power that will come from adding the long-term perspective of time and money to your bidder's purchase which will making bidding much easier.

For example, let's say you have an auction listing at \$825,000. Your prospective bidders are stuck at \$790,000 and your sellers won't accept less than \$800,000. You spend about

30 seconds or less entering a few numbers based on what you envision are the expectations of your bidders and you provide a printed projection of the value on their purchase.

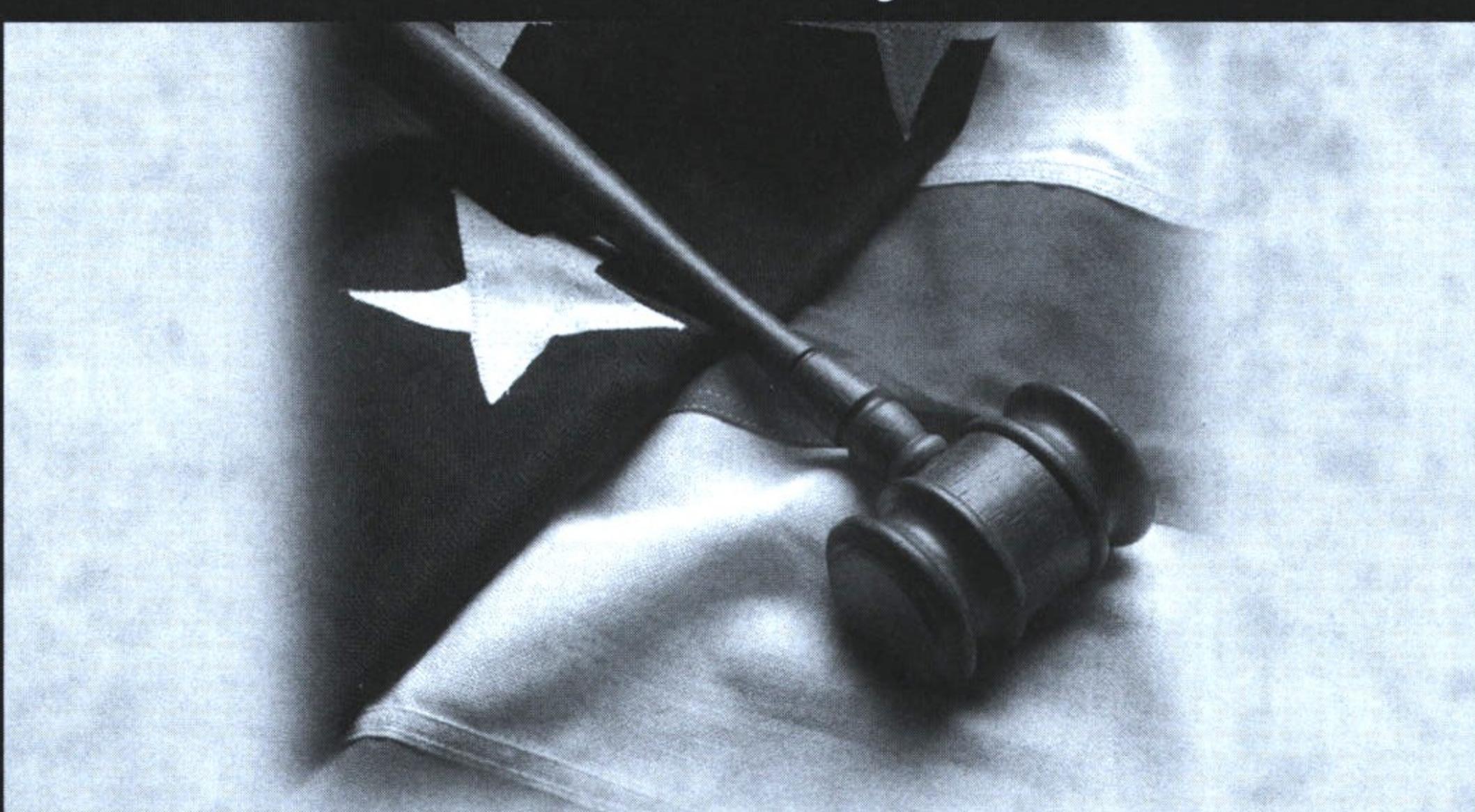
This can be shown on a large screen at the auction, or you can read off the bottom line long term return. Or, prior to the auction, you can pre-print these various prices and returns and hand them out with the auction packet. Do you think that these numbers can possibly justify the prospective bidders to justify paying the extra \$10,000 to secure the deal?

As you can see, this is a powerful tool that will ease your bidding, demonstrate the value of ownership and may turn your "fence sitters" into bidders.

Use this resource in your listing presentations to show your sellers how you educate your buyers and in so doing, take the tension out of negotiations and produce buyers that are motivated to make the deal without fuss.

Try this calculator online for free and to get more details. Go to www.starttheshow.be and go to "Real Estate Bidding Calculator" and you will be off and running.

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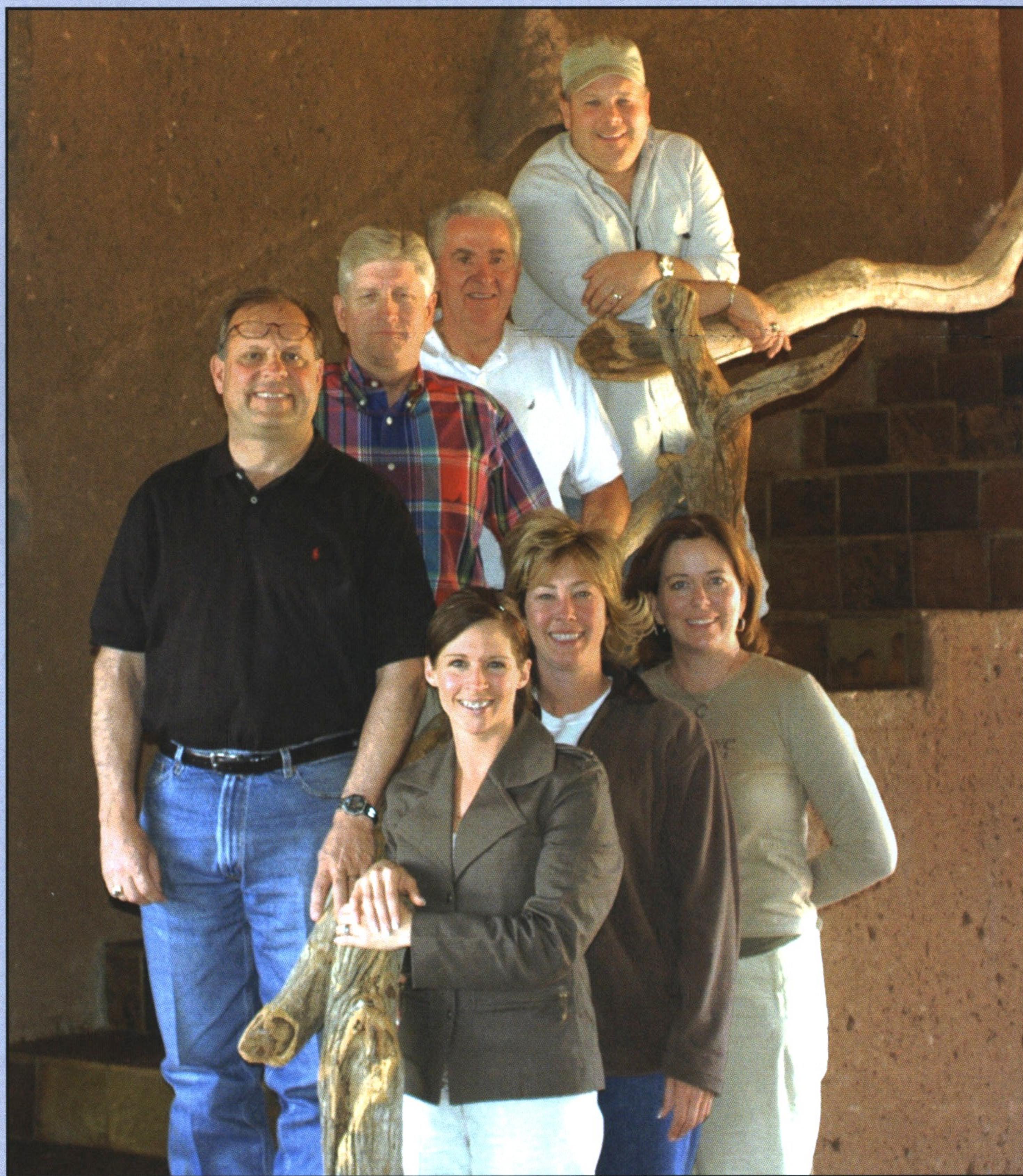
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The group of NAA Auctioneers in South Africa were, on lower row, from left, Amy Assiter, Barbara Bonnette, and Pamela Rose; on upper row, Spanky Assiter, Bill Sheridan, Tommy Williams, John Nicholls.

South Africa trip by NAA officials gave views of company's practices

Several NAA leaders, including the 2006 International Auctioneer Championship winners, visited South Africa earlier this year and gained an understanding of how a leading firm there, Auction Alliance, does business. The visitors also participated in a fundraiser to help 250 needy children.

Attendees included NAA President Tommy Williams, CAI; NAA Chairman of the Board William L. Sheridan, CAI, AARE, GPPA; Spanky Assiter, Amy Assiter, Pamela Rose, CAI, AARE; and 2006 champions Barbara Bonnette, CAI, AARE, GPPA; and John Nicholls.

Spanky Assiter said the level of professionalism of Auction Alliance was very high, and their practices innovative.

"For example, they have their goals and missions on boards for all employees to see," he said. "And they are very involved in conducting training seminars for their employees. Another thing is that they use the word 'gone', not 'sold' as an innova-

tive marketing technique."

Amy Assiter said "We were there to give our American ideas to them and display our western-style chant to them, but it was interesting for us to see how they did things like marketing. They have huge billboards on top of the buildings they are selling."

NAA President Tommy Williams said the American group learned that auctions in South Africa are conducted with negotiations during the auction. "While the Auctioneer is calling bids slowly, there is a ringman on the bidder and another ringman on the seller, negotiating the seller down during the auction," Williams said. "In the U.S. we use the reserve auction. I think buyers and sellers in the U.S. like less pressure during the auction, and prefer to negotiate afterward."

However, the South African process is very interesting to

watch and highlights the skill of the ringmen in negotiations, Williams said.

The group went at the invitation of Auction Alliance's managing director Alon Kowen. Kowen said the Americans' depth of knowledge, expertise and professionalism was astounding.

"The Yanks simply do things differently, and what's more, always with a sensibility for the not-so-fortunate," he said.

The American Auctioneers visited a game reserve for a weekend where, together with their South African hosts and a few bottles of wine, raised enough money for charity to send 250 underprivileged children from the villages of the North-West province on a wildlife expedition that will live on in each of their minds forever.

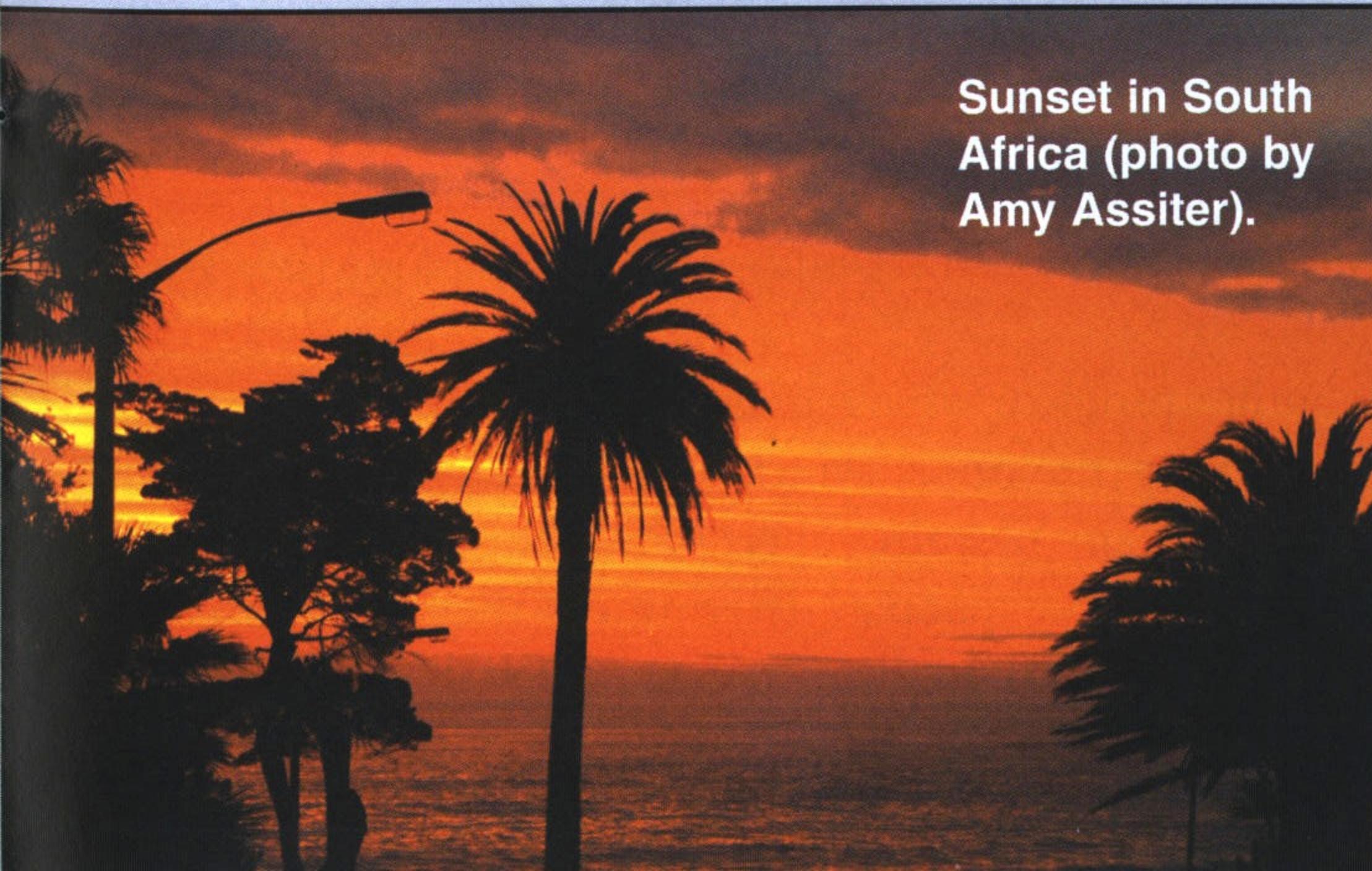
The evening's impromptu mock-auction fundraiser at Madikwe Game Reserve in the North West Province drew the curtain down on Auction Alliance's annual hosting of a team of current and past auction world champions affiliated with NAA.

The group had been in the country conducting charity auctions in Johannesburg and Cape Town. On sale at the Johannesburg event were Mont Blanc pens, South African wines and African arts and crafts.

Williams said the mock auction on the last night of the team's visit was the tour highlight.

"Madikwe were kind enough to donate three bottles of fine wine and there and then we hatched a plan to auction them off for the kids' benefit," Williams said. "I know how lucky we all were to experience the bush environment and being able to provide an opportunity for a few hundred kids to experience the same is a great sign-off."

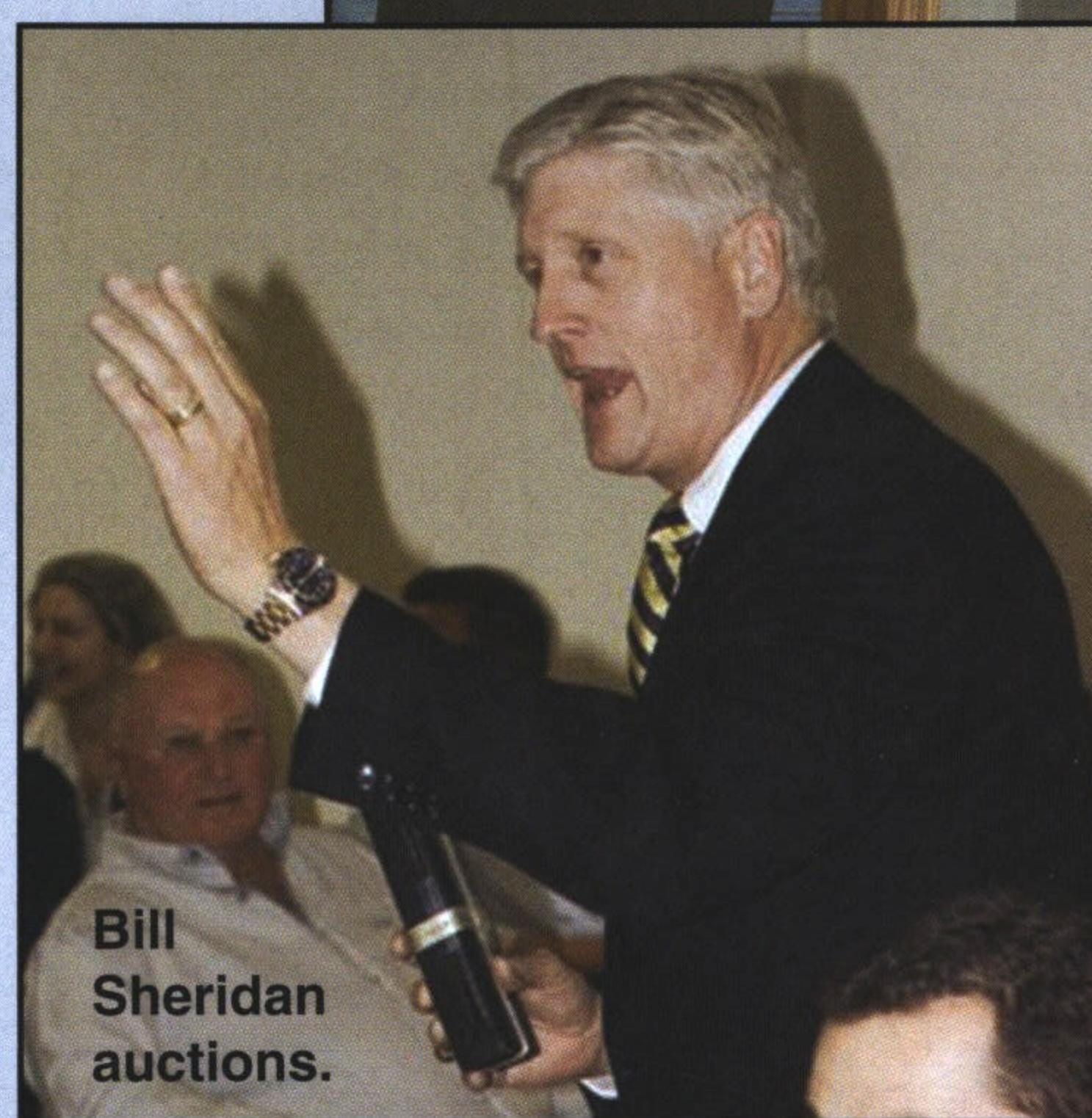
Story by Maurice Levin, of Auction Alliance, and editor Steve Baska.



Sunset in South Africa (photo by Amy Assiter).



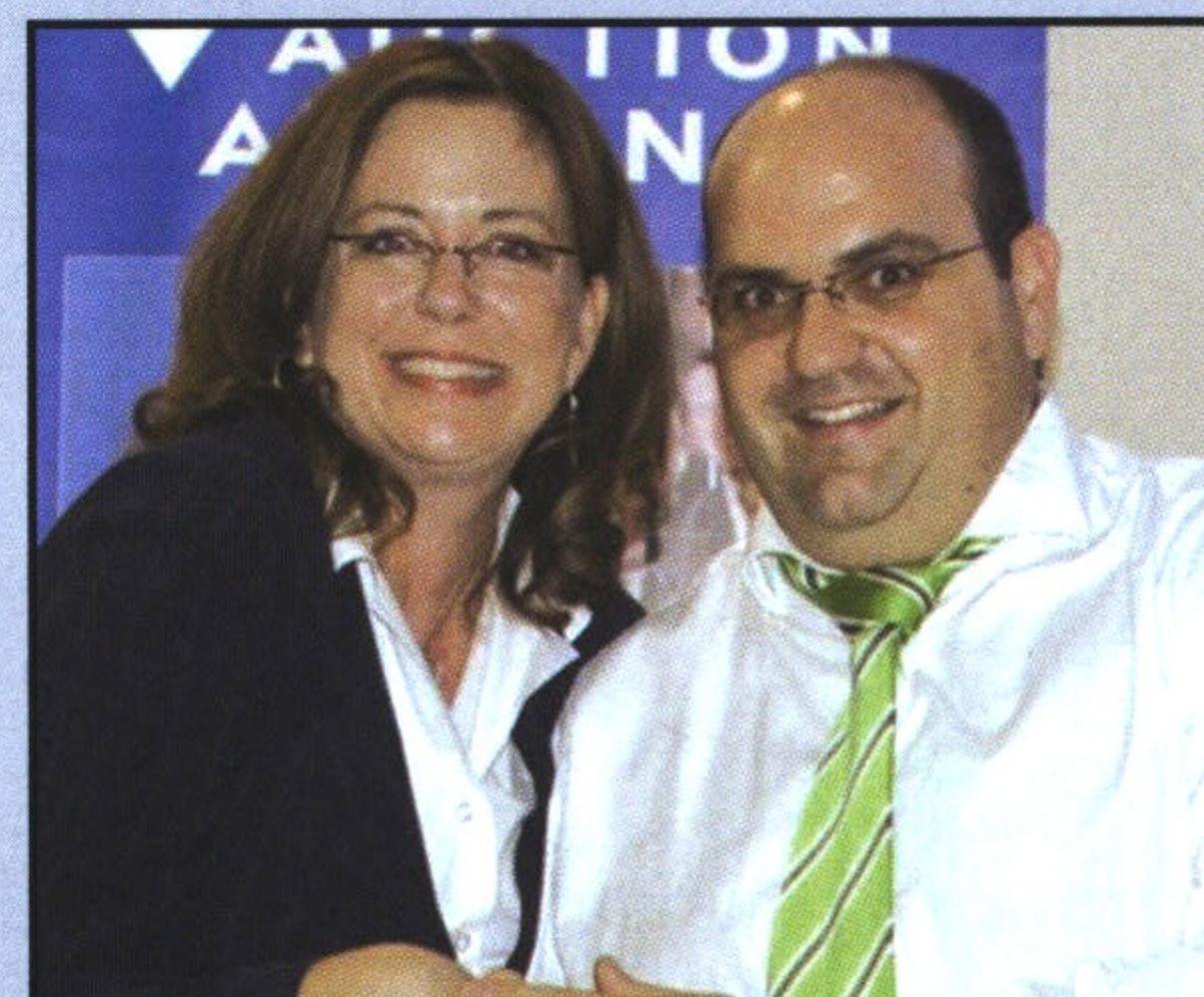
Amy Assiter auctions at an Auction Alliance event.



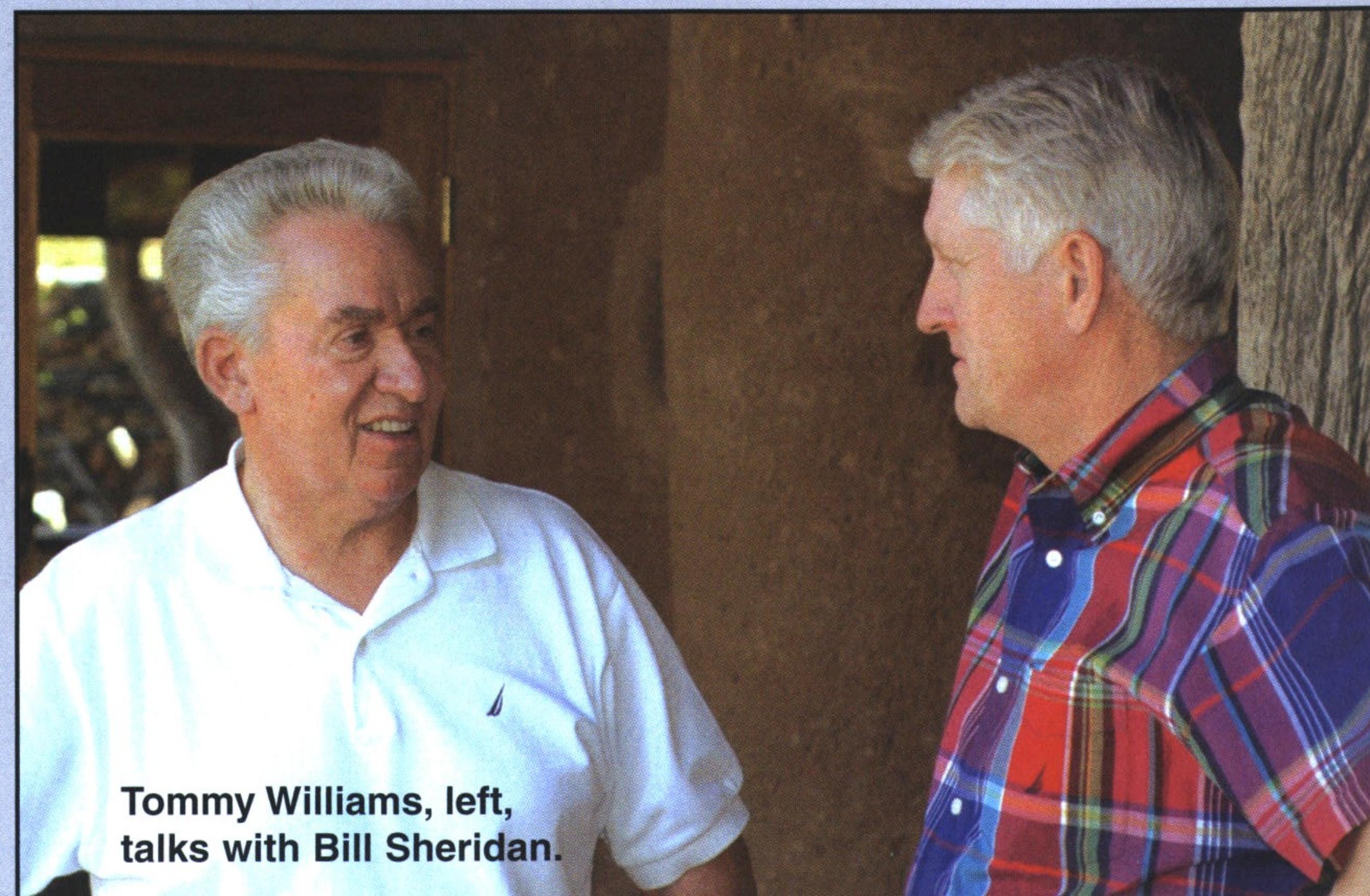
Bill Sheridan auctions.



Spanky Assiter auctions.



Pamela Rose speaks with Auction Alliance Managing Director Alon Kowen.



Tommy Williams, left, talks with Bill Sheridan.

Where have all the real estate auction buyers gone?

By Real Estate Auctioneer George Richards

Once upon a time there was a song that asked the question, "Where have all the flowers gone?" The song says they have all passed away.

Many in the auction business have slightly changed the words to match the title of this column, "Where have all the buyers gone?" Conditions that seem to be prevalent in 2007 remind me of the 1980s when real estate was flat and attracting bidders to auctions was usually a concern. Those years also remind many of us of a now-gone industry that once thrived in most American cities. The Savings & Loan Associations that many of us grew up with are now only blips on the radar screen of things past and never to return.

Present market conditions mirror events which led to the failure of so many Savings & Loan associations and commercial banks. Almost every day, newspapers run stories about Americans who have become unable to make their monthly mortgage payments. Some politicians even suggest a bail out of either mortgage lenders or homeowners facing foreclosure.

Auctioneers have every reason to be concerned about what is now taking place. Many suggest there is going to be plenty of inventory to sell at auctions, however, to whom is it going to be sold and at what price?

Price corrections are now taking place signaling a transition from a recently healthy seller's market to a buyer's market. For sure, many potential buyers are taking great care as consideration is given to purchasing real estate. Many voice concern the market has not yet reached its lowest point. They might be right.

As an Auctioneer, the last hour before an auction is usually the hardest. Why is it that buyers don't arrive until 30 minutes before the scheduled starting time instead of five minutes before the scheduled starting time? From experience, these times increase the level of pressure.

Most Auctioneers are seeing smaller audiences with fewer bidders, but more spectators. Some of the spectators attend-

ing auctions own similar properties which remain unsold and they come hoping to find an alternative form of sale. The actual number of financially-qualified bidders has become smaller than ever.

Another problem at recent auctions is speculators who seem to be willing to purchase, however, prices they are willing to pay are only a fraction of market value. Just as large a problem is the fact some sellers have still not faced the reality of the market, prices have gone south.

As these conditions are considered, many possible reasons for lower attendance could be cited, however, there seems to be three which have caused many of our problems as an industry.

1. The State of Most American Real Estate Markets

As noted, conditions in most markets continue declining and statistics reported by most official observers and agencies indicate improvement will take years and not months. National rates of foreclosure have increased substantially, but another important statistic is delinquency rates. Many American homeowners are hovering on disaster lacking the financial ability to meet their monthly mortgage obligations.

Some of the more progressive lenders are still trying to work with cooperative borrowers so they will be able to remain in their homes. At some point, however, even the most understanding lenders will be forced to take action as borrowers fail to make even negotiated payments.

Another contributing factor is terms of mortgage products offered to consumers which allowed them to get so deeply in debt. Some of the people who purchased homes, especially in 2004 and 2005, were empowered by the terms offered to purchase more house than their budgets allowed. Now, they are in trouble.

Yet another problem which adds into this mix is the rapid increase in property prices which, for the most part, were unsupported by any meaningful economic reason. Prices skyrocketed and many people determined they would get involved.

*The actual
number of
financially-
qualified bidders
has become smaller
than ever.*

2. Gasoline Prices

Even though many leaders and would-be leaders suggest all of us must find ways to drive fewer miles, most of America is in love with their cars, sports utility vehicles and 4-wheel drive trucks. If that were not so, the Yugo would still be a part of our landscape. When Americans face \$3.50 per gallon gasoline prices, they are not happy. Unless an auction has an appeal such as very low prices, many buyers will just stay home. From recent observations and comments of others, that is the decision many have already made.

3. Unsuccessful Auctions

In recent columns written for *Auction World*, I have been critical of large scale "Big Box" real estate auctions. Some who read the column wrote me agreeing while others voiced strong opposition. As this column is written, the handwriting is on the wall. Many who were planning large scale auctions have determined not to proceed. Others who might have had thoughts of trying to assemble enough properties for such an event have backed away, at least for now.

In my opinion, there are three primary major reasons some of these auctions failed to find success.

- Many of these auctions included sellers who bought properties at the height of the feeding frenzy of 2004 and 2005. The price they expected to achieve at the auction was not realistic in this kind of market.
- Another reason for the higher than normal failure rates involves how the auction was assembled and those responsible for planning and implementing them. Some "auction planners" were highly inexperienced and allowed any property into the auction regardless of seller motivation, price expectation and/or sellers' ability to sell. Some seemed to have the mind set that if the seller paid their share of the advertising budget, all would be well. Many of these auctions failed.
- Some of the "Big Box" auctions were advertised as absolute auctions, however, as many bidders found out, many or most properties had reserve prices. At the end of the auction, very few properties actually sold and if time were taken to investigate fully, that is, to check HUD1 closing statements, it is likely even fewer actually closed.

Another problem at recent auctions is speculators who seem to be willing to purchase, however, prices they are willing to pay are only a fraction of market value.

As an industry, the word auction and absolute mean less in 2007 than at any other time. Future auction advertising might have to include the following language to attract bidders: "ABSOLUTE AUCTION--NO KIDDING." How sad this day has come to such a great industry.

So, where does our industry go from here? Professional Auctioneers are a proud group of professionals who know their jobs well. For us to do those jobs, attracting qualified bidders to the auctions we conduct is essential. The tasks before us are not easy, yet efforts must be made toward correction. The first step is making certain we are credible as professionals. When an auction is advertised, bidders have the right to expect advertising will be honest and fair to all parties. Bidders should not find it needful to have an attorney

review the terms and conditions of sale because they are worded so as to be interpreted in many ways.

It is time to swing into action against those who knowingly break the law. While involving licensing authorities is not ever something enjoyable, they are the only ones with the power to investigate and determine if a property advertised at an absolute auction actually sold at the event and the transaction closed. While all contracts do not close, surely a pattern of abuse could be detected.

Professional Auctioneers must also determine not to take part in auctions as just the bid caller. When it is not possible to be part of the deal from start to finish, experience teaches it is better just to find something else to do that day. We must all be committed to successful auctions that serve the needs of the sellers who employ us, the bidders who depend upon us as honorable professionals and to each other.

Real estate Auctioneer George Richards, of Boynton Beach, FL, is president of National Auction Company. He has conducted auctions in more than 40 states and has sold shopping centers, hotels, acreage single-family homes, apartment buildings and other types of real estate. He can be reached at grichards@natlauction.com.

40-plus years in livestock auction industry

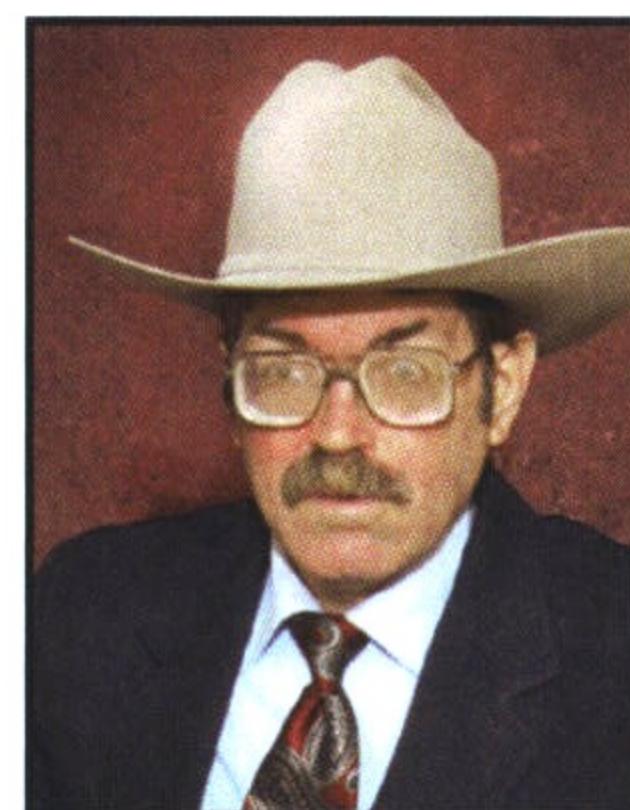
Col. Richard J. Wilson started his first auction in 1967 at the age of 17. Today he owns and operates Wilson Auction & Associates of Topeka, KS. He conducts purebred livestock sales (cattle and quarter horses) and has worked a large number of farm, household, antique, vehicles, liquidations and land and property auctions.

"The main thing I enjoy about being an Auctioneer is meeting new people every day," he said. With this there are new challenges every day.

"My job is to serve the public and be a professional," he said.

As a young man he accompanied his father, a truck driver who hauled cattle to cattle barns. During this time the youth became close to a veteran Auctioneer.

"Dad was going in and out of the cattle barns to and from the country, and he left me several times at different sale barns, particularly the Penfield Livestock Commission, in



Wilson

Penfield, IL. This old-time Auctioneer named Gordon Clingan from Danville, IL, would always tell dad to leave the boy there, we will be all right. I made my time there worthwhile – an educational growth of opportunity."

In 1967 Clingan put Wilson in the end of an auction where there were about 15 head of livestock left to sell. "Later I graduated into working with more people and livestock. I remember that I paid more attention to Gordon, going with him to all the sales."

Wilson attended Superior School of Auctioneering at Decatur, IL. While there he became close to well-known Auctioneers Dale Hanna, Paul Good, Ike Hamilton and Hugh James.

Wilson has seen many changes in the industry in his 40-plus years. Today he operates his auction business with four clerks and utilizes different ringmen for his purebred livestock sales. "I bring them in from different organizations and they work for a normal fee," he said.

Wilson is a member of NAA and the Kansas Auctioneers Associations. "They are helpful, providing good input, good points and bylaws. The conventions are a good chance to meet other Auctioneers and exchange ideas," he said.

Wilson can be reached at (785) 357-4358 or (785) 383-9497.

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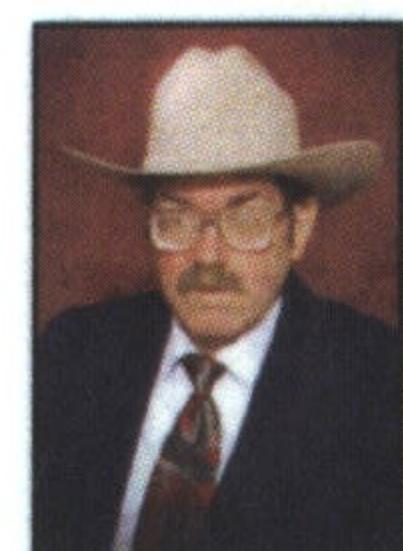
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Tips to become an “On-Purpose” business leader

By Monica Wofford

What you do as a leader is extremely important because you set the attitude model for your office, and the image of staying focused “on the purpose” of your organization.

Attitude is contagious. Leaders have an attitude that others want to catch. Leaders have a charisma that others want to catch. What you do, more than what you say, rubs off on those that follow your leadership abilities. Here are several tips on how to stay “on purpose” and be effective.

1. Call employees “those that work WITH you.”
2. Stop calling employees “my employees,” “my people.”
3. Set goals with others.
4. Teach others to write his (or her) own goals down.
5. Ensure goals are measurable.
6. Create goals that are both realistic and unrealistic.
7. Hire the right people for the right jobs.
8. Encourage mentors at all levels.
9. Be genuinely interested in the needs of others.
10. Allow for errors and missteps and mistakes at many levels.
11. Seek input from those closer to a problem than you are.
12. Listen to the grapevine often and regularly.
13. Inspire creativity.
14. Engage in active learning every day.
15. Give yourself permission to leave things undone.
16. Let go of needing to be perfect.
17. Let go of needing everyone else to be perfect.
18. Relinquish the need to always have others like you.
19. Observe what people do for others to learn what they would like done for them.
20. Focus on the end result: Motivation for performance.
21. Criticize someone's attitude at your own risk.
22. Recognize that managers have to have a title and leaders do not.
23. You become what you think about.

Author Monica Wofford brings more than 17 years of experience as a business consultant, trainer, and speaker to Monica Wofford International, Inc. She is the author of “Contagious Leadership”, “Contagious Confidence,” and “Contagious Customer Service”. She can be reached at www.monicawofford.com or (866) 382-0121.

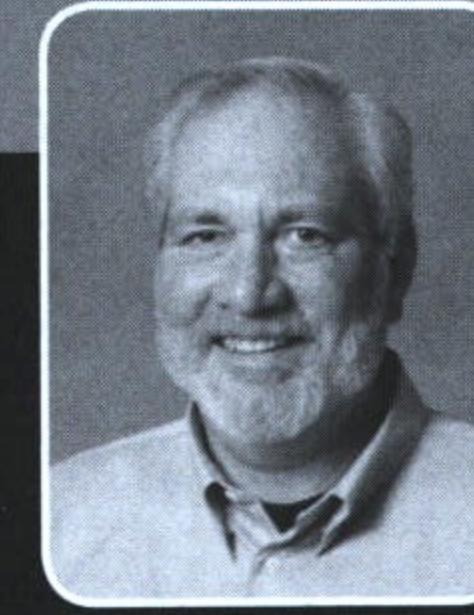
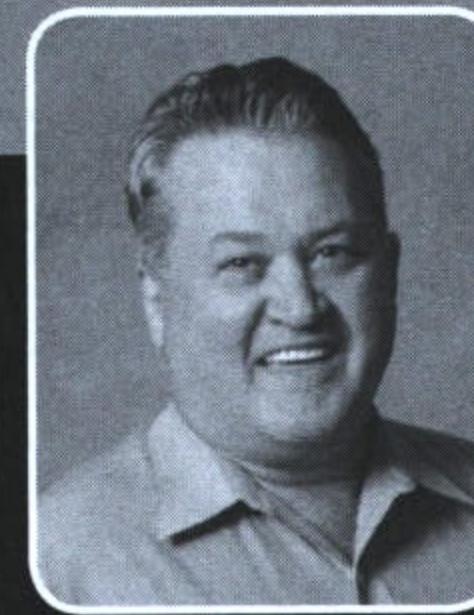
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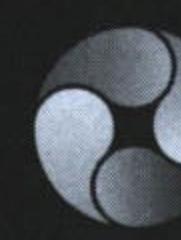


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Understanding the next generation of workers

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By Nadira A. Hira

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Nearly every businessperson over 30 has done it: sat in his office after a staff meeting and--reflecting upon the 25-year-old colleague with two tattoos, a piercing, no watch, and a shameless propensity for chatting up the boss--wondered, What is with that guy?!

We all know the type: He's a sartorial Ryan Seacrest, a developmental Ferris Bueller, a professional Carlton Banks. (Not up on twentysomethings' media icons? That's the American Idol host, the truant Matthew Broderick movie hero, and the overeager Will Smith sidekick in *Fresh Prince of Bel-Air*.) At once a hipster and a climber, he is all nonchalance and expectation. He is new, he is annoying, and he and his female counterparts are invading corporate offices across America.

Generation Y: Its members are different in many respects, from their upbringing to their politics. But it might be their effect on the workplace that makes them truly noteworthy--more so than other generations of twentysomethings that writers have been collectively profiling since time immemorial. They're ambitious, they're demanding, and they question everything, so if there isn't a good reason for that long commute or late night, don't expect them to do it. When it comes to loyalty, the companies they work for are last on their list--behind their families, their friends, their communities, their co-workers, and, of course, themselves. But there are a whole lot of them. And as the baby-boomers begin to retire, triggering a ballyhooed worker shortage, businesses are realizing that they may have no choice but to accommodate these curious Gen Y creatures. Especially because if they don't, the creatures will simply go home to their parents, who in all likelihood will welcome them back.

Some 64 million skilled workers will be able to retire by the end of this decade, according to the Conference Board, and companies will need to go the extra mile to replace them, even if it means putting up with some outsized expectations. There is a precedent for this: In April 1969, *FORTUNE* wrote, "Because the demand for their services so greatly exceeds the supply, young graduates are in a strong position to dictate

terms to their prospective employers. Young employees are demanding that they be given productive tasks to do from the first day of work, and that the people they work for notice and react to their performance." Those were the early baby-boomers, and--with their '60s sensibility and navel-gazing--they left their mark on just about every institution they passed through. Now come their children, to confound them. The kids--self-absorbed, gregarious, multitasking, loud, optimistic, pierced--are exactly what the boomers raised them to be, and now they're being themselves all over the business world.

It's going to be great.

"This is the most high-maintenance workforce in the history of the world," says Bruce Tulgan, the founder of leading generational-research firm RainmakerThinking. "The good news is they're also going to be the most high-performing workforce in the history of the world. They walk in with more information in their heads, more information at their fingertips--and, sure, they have high expectations, but they have the highest expectations first and foremost for themselves."

So just who is this fair bird?

PLUMAGE The creature in the wild: Joshua Butler, audit associate, KPMG

With his broad networker's smile, stiff white collar, and polished onyx cuff links, Joshua Butler has the accouterments of an accountant. Even so, he looks a little out of place in a KPMG conference room. At 22, he's 6-foot-2 and 230 pounds, with a body made for gladiator movies. A native of suburban Washington, D.C., Butler chose accounting after graduating from Howard University because he wanted "transferable skills." At KPMG he's getting them--and more: The firm has let him arrange his schedule to train for a bodybuilding competition, and he's on its tennis team. Even before that, KPMG got his attention when it agreed

to move him to New York, his chosen city. "It made me say, 'You know what? This firm has shown a commitment to me. Let me in turn show some commitment to the firm.'" He pauses, a twinkle in his eye. "So this is a merger, if you will--Josh and KPMG."

Boomers, know this: You are outnumbered. There are 78.5 million of you, according to Census Bureau figures, and 79.8 million members of Gen Y (for our purposes, those born between 1977 and 1995). And the new generation shares more than just an age bracket. While it may be crass to "define" such a group, any Times Square tourist could probably do so with one finger--pointed at the MTV Networks building. Gen Y sometimes seems to share one overstimulated brain, and it's often tuned to something featuring Lindsay Lohan. Add to that the speed with which Yers can find Lindsay Lohan--day or night, video or audio--in these technology-rich times, and it's suddenly not so strange that Gen Y has developed such a distinct profile.

And what a profile it is. As the rest of the nation agonizes over obesity, Gen Yers always seem to be at the gym. More than a third of 18- to 25-year-olds surveyed by the Pew Research Center for the People and the Press have a tattoo, and 30% have a piercing somewhere besides their earlobe. But those are considered stylish, not rebellious. And speaking of fashion, this isn't a group you'll catch in flannel. They're all about quiet kitsch--a funky T-shirt under a blazer, artsy jewelry, silly socks--small statements that won't cause trouble. The most important decorations, though, are electronic--iPods, BlackBerrys, laptops--and they're like extra limbs. Nothing is more hilarious than catching a Gen Yer in public without one of those essentials. Let's just say most wouldn't have lasted long on Walden Pond.

When it comes to Gen Y's intangible characteristics, the lexicon is less than flattering. Try "needy," "entitled." Despite a consensus that they're not slackers, there is a suspicion that they've avoided that moniker only by creating enough commotion to distract from the fact that they're really not that into "work." Never mind that they often need an entire team--and a couple of cheerleaders--to do anything. For some of them the concept "work ethic" needs rethinking. "I had a

conversation with the CFO of a big company in New York," says Tamara Erickson, co-author of the 2006 book *Workforce Crisis*, "and he said, 'I can't find anyone to hire who's willing to work 60 hours a week. Can you talk to them?' And I said, 'Why don't I start by talking to you? What they're really telling you is that they're sorry it takes you so long to get your work done.'"

That isn't the only rethinking Gen Yers have done. Their widespread consumption of uniform media has had some positive effects. Girls watch sports and play videogames, and no one thinks twice about it. And boys can admit to loving *The Real World* with impunity. Race is even less of an issue for Gen Yers, not just because they're generally accustomed to diversity, but because on any given night they can watch successful mainstream shows featuring everyone from the Oscar-winning rap group Three 6 Mafia to wrestler Hulk Hogan. It all makes for a universe where anything--such as, say, being a bodybuilding accountant--seems possible.

Of course, Gen Yers have been told since they were toddlers that they can be anything they can imagine. It's an idea they clung to as they grew up and as their outlook was shaken by the Columbine shootings and 9/11. More than the nuclear threat of their parents' day, those attacks were immediate, potentially personal, and completely unpredictable. And each new clip of Al Gore spreading inconvenient truths or of polar bears drowning from lack of ice told Gen Yers they were not promised a healthy, happy tomorrow. So they're determined to live their best lives now.

HABITAT The creature in the wild: Sheryl Walker, assurance associate, PricewaterhouseCoopers

Growing up, Sheryl Walker says, she could do no wrong. The youngest child of Jamaican immigrants in New Jersey, she majored in accounting because she knew it would make her par-

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ents happy: "They're big on saying their children are 'a doctor,' 'a lawyer'--'a something.'" And now that the 24-year-old is "a something," she continues to make them happy. By living at home. "I don't have any plans to leave," she says, laughing. "My father told me if I did, he would be very upset. And I at least pay a bill, out of courtesy." The electric bill, that is. Considering the cost of living in the New York area, that's quite a bargain. "I think parents want to feel needed," she says, "and it's like, because I'm so independent, they get excited when I ask for a favor."

From the moment Gen Yers were born, long before technology or world events affected their lives, they were dealing with a phenomenon previously unknown to man: the baby-boomer parent. Raised by "traditionalists" after World War II, the boomers, once they had children of their own, did exactly the opposite of what their parents had done, cooing and coddling like crazy. Couple all that affection with the affluence of the '80s and '90s, throw in working parents' guilt, and boomers' children not only got what they wanted but also became the center of their parents' lives. Self-esteem was in, spanking was out, and coaching--be it for a soccer team or a kindergarten interview--was everywhere. Affirmation continued as they grew, and when they spoke up, their opinions were not only entertained but celebrated. Overscheduled grade-schoolers became overcommitted teens, with the emphasis on achieving. The goal was to get into a great college, which would lead to a great career and a great life.

But there was a hitch. Upon graduation, it turned out that a lot of Gen Yers hadn't learned much about struggle or sacrifice. As the first of them began to graduate from college in the late 1990s, the average educational debt soared to over \$19,000 for new grads, and many Yers went to the only place they knew they'd be safe: home. Lots haven't left. A survey of college graduates from 2000 to 2006 by Experience Inc. found that 58% of those polled had moved home after school and that 32% stayed more than a year. Even among those who've managed to stay away, Pew found that 73% of 18- to 25-year-olds have received financial assistance from their parents in the past year, and 64% have even gotten help with errands.

It's what Jeffrey Jensen Arnett calls "emerging adulthood" in his 2004 book of the same name. "People think very differently about their 20s now," the Clark University research professor says. "It's so volatile and so unfettered and so very unstructured. Nothing has ever existed like it before." For example, in 1960 the median age at marriage was 20 for women and 23 for men. Today it's 26 for women and 28 for men. In sociological terms that's a revolution. And though Gen Yers will eventually have to grow up--like all of us, they'll lose their parents, face layoffs, and suffer insane bosses (see next story)--they are stretching the transition to adulthood well into their 20s. "If we don't like a job, we quit," says Jason Ryan Dorsey, the 28-year-old author of 2007's *My Reality Check Bounced!*, "because the worst thing that can happen is that we move

back home. There's no stigma, and many of us grew up with both parents working, so our moms would love nothing more than to cook our favorite meatloaf." It's a position borne out by the numbers; 73% of Pew's respondents said they see their parents at least once a week, and half do so daily, a fact that, however sweet, sort of makes you want to download *Rebel Without a Cause*.

With this level of parental involvement, it's a miracle that Gen Yers can do anything on their own. "It's difficult to start making decisions when you haven't been making decisions your whole life," says Mitchell Marks, an organizational psychologist and president of consulting firm *Joining Forces*. He points to one of his recent projects at a software development company. His client, which had one health-care plan, was acquired by a bigger firm that offered five more. "The twenty-something software developers were up in arms about having to choose," Marks says. "That was their No. 1 issue--not 'Will I lose my job?' or 'Will there be a culture clash?' but this--because they were just so put off that they were put in what they viewed as a very stressful situation." One can't help but wonder how stressed they'd be with no health insurance at all. But even for the Gen Yers who try in earnest to succeed, Marks says, the way they've been raised can still be detrimental: "They've been made to feel so special, and that is totally counter to the whole concept of corporations."

COURTSHIP

The creature in the wild:
Katie Connolly, associate attorney,
Halleland Lewis Nilan & Johnson

Unlike most new attorneys, Katie Connolly took a pay cut for her second job. Why? The 28-year-old graduate of the University of Minnesota Law School liked that it wasn't the attorneys but the staff at Halleland, a 53-attorney firm in Minneapolis, who had windows (since they were more often at their desks) and that everyone dressed casually. Her decision paid off. At her old firm she spent all her time researching at her desk; at Halleland she has already tried her first case. "Lots of firms say, 'Oh, we're 150 years old,'" she says, "and they do things like they did 150 years ago. That's not attractive to me. I want to do good work, not just slog through for years till I get my Persian rug and my 50-gallon fish tank."

What, then, is a FORTUNE 500 company to do?

Gen Yers still respond most of all to money. There's no fooling them about it; they're so connected that it's not unusual for them to know what every major company in a given field is offering. And they don't want to be given short shrift--hence the frightening tales of 22-year-olds making six-figure salary requests for their first jobs. One could chalk that up to their materialism and party-people mentality, but author Erickson has a different take. "They have to get some money

flowing because they have a lot of debt to pay," she says.

To get noticed by Gen Yers, a company also has to have what they call a "vision." They aren't impressed by mission statements, but they are looking for attributes that indicate shared values: affinity groups, flat hierarchies, divestment from the more notorious dictatorial regimes. At Halleland, which was founded in 1996 by defectors from a larger firm, offices are all the same size, new associates are encouraged to pass work up the chain, and senior partners send out e-mails congratulating junior staffers on career milestones. In 11 years Halleland has lost just five associates to other outfits.

It hasn't hurt that the firm emphasizes work-life balance. While Gen Yers will work a 60-hour week if they have to--and might even do so happily if they're paid enough to make the most of their precious downtime--they don't want that to be a way of life. Some firms where long hours are the norm have found ways to compensate. At Skadden Arps, new employees are reimbursed up to \$3,000 for home-office equipment and \$1,000 every year after. And the firm's gyms are a big hit with Gen Yers. "You'd be amazed, when people come by to interview or check out the firm, what a warm response the fitness center gets," says Wallace Schwartz, who leads the firm's New York office.

Watching public accounting firms scout for talent is especially instructive, since they have had to staff up after Sarbanes-Oxley. At Ernst & Young, recruiters hand out flash drives instead of brochures, send text messages to schedule meetings with candidates, and give interns videocameras to create vlogs for the firm's website. They also launched the first corporate-sponsored recruiting page on Facebook to meet Gen Yers on their own turf. "That was a difficult sell," says Dan Black, who heads E&Y's college recruiting for the U.S. and Canada, "to be in a medium where you don't have control and people can post some not-so-nice things and you're going to leave it up there, which we do." It was so far ahead of its time that even the kids got thrown off. At one point Black wanted to quote some vivid comments a junior staffer had posted on the page. He left him a voicemail asking for a call back. The next thing Black knew, the posts had all vanished. "He thought he was in trouble!" Black says, howling. "So they're learning how to work with us too."

But as any worthy suitor knows, in the end the key to courtship lies at home--in wooing Mom and Dad. For Merrill Lynch, getting young people to commit wasn't much trouble before. "In the past, if we gave you an offer, you accepted," says Liz Wamai, who heads diversity for Merrill's institutional business. "It was Merrill Lynch. Now it's sell, sell, sell." The company holds a parents' day for interns' families to tour the trading floor. But it's involving parents in recruiting that's been a real shift. Subha Barry, global head of diversity, recalls running into a colleague having lunch with a potential summer recruit and someone she didn't know. It turned out to be the boy's mother. "If somebody would have said to me, 'You're interviewing for a job somewhere, and you're going to

bring your mother to the closing, decision-making lunch,' I would've said, 'You've got to be crazy,'" she says, wagging a finger. "But I tell you, his mother was sold. And that boy will end up at Merrill next summer. I can guarantee that."

DOMESTICATION The creature in the wild: Johnny Cooper, assistant designer, J.C. Penney

Johnny Cooper has always wanted to be a fashion designer. At first that usually means picking out pins by day and waiting tables by night. So when an offer of real work came from J.C. Penney in Plano, Texas, he took it in a heartbeat. "What 23-year-old can say that they affect a quarter-billion-dollar business on a daily basis?" he asks. Yes, he actually has affected it, helping to revamp the company's line of men's swimwear. Cooper also organized a major fundraiser for the company after proposing it in an e-mail to the president. "He responded," Cooper says, chuckling. "It took him a week, and it was a one-liner. But it was the most exciting thing to me." Succeeding quickly does have its challenges: "I sometimes feel like if I'm given so much responsibility and excelling, why can't I have more and more? I have to say, 'Slow down, Johnny. Sure, you want to be design director, but you've only been here two years.'"

continued

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No one joins a company hoping to do the same job forever. But these days even your neighborhood bartender or barista aspires to own the place someday. What's more, the ties that have bound members of this age group to jobs in the past--spouse, kids, mortgage--are today often little more than glimmers in their parents' eyes. So if getting Gen Yers to join a company is a challenge, getting them to stay is even harder. The key is the same one their parents have used their whole lives--loving, encouraging, and rewarding them. What that amounts to in corporate terms is a support network, work that challenges more than it bores, and feedback. "The loyalty of twentysomethings is really based on the relationships they have with those directly above them," says Dorsey, the Reality Check author. "There's a perception among management that those relationships shouldn't be too personal, but that's how we know they care about us."

Dorsey--who in true Gen Y style dropped out of college to write an earlier book, *Graduate to Your Perfect Job*, without having either graduated or gotten a job--recommends starting small. Business cards are an easy way to make young employees feel valued. Letting them shadow older employees helps, as does inviting them to a management meeting now and then. And marking milestones is major, says Dorsey. No birthday should go uncelebrated, and the first day on the job should be unforgettable. Dorsey recalls the time the president of an engineering firm called a new employee's mother and asked her to be there when her daughter started work Monday morning. "When her mom walked through the crowd, she was like, 'Oh, my God,' and her mom says to everyone, 'I took her to kindergarten, and now I'm here for her first day of work,'" Dorsey says. "The president took them on a tour of the company and explained to both of them why what new employees were doing was so important to the company. And the mom turns to her daughter and says, 'You are not allowed to quit this job. Real companies are not like this.'"

Skeptics would say Mom had a point. But the idea is simply to make big companies feel small, and even major corporations can do much of that work through mentoring. This no longer means creating a spreadsheet, matching people by gender, race, or a shared love of baseball, and hoping for the best. At KPMG, says Jesal Asher, a director in the advisory practice, every junior staffer is expected to have a mentor, every manager a protégé, and those in the middle often have both. There's a website to facilitate the formal process, and social activities--happy hours, softball games, group lunches--are organized to encourage informal networking.

With the resources that companies like KPMG have, though, ice-cream socials are just the beginning. This summer KPMG will send 100 new hires to Madrid to train alongside new hires from other countries. The firm also gives employees time off to do community service. Steps like those have helped bring turnover down from 25% in 2002 to 18% last year, says KPMG's head of campus recruiting, Manny Fernandez. "Gen Yers are able to do and learn so much more

than I could at that stage," he says, "and they're not looking to have a career like I have, with just one company. So we've got to build tools that are not just about retention but about having people develop skills faster, so that they can take on larger opportunities."

While development is a long-term goal, it begins in the short term with harnessing Gen Yers' energy. "They're so vocal that you can almost take an associate to a meeting with the CEO," says Asher, "because something that comes out of her mouth is going to be actually outside the box, something that none of us have ever thought about." And twentysomethings can thrive when given real responsibility. Mark Meussner, a former Ford manager, remembers one instance when, faced with a serious manufacturing problem and two young engineers begging for the chance to solve it, he took a chance on them. He gave them one more-experienced person as a counselor, and they made what he estimates was a \$25 million impact by solving a problem that had proved intractable for a decade. The success spawned a slate of company-sponsored initiatives led by more-junior staffers. Says Meussner: "We need to use 100% of an employee--not just their backs and minds, but their innovation, enthusiasm, energy, and fresh perspective."

It's 12:45 A.M., this story is due next week, and I'm hard at work. By that I mean I am sitting at a desk. In my house. Wearing yellow ducky slippers, track pants, and the royal-blue Tommy Hilfiger pullover that has been my thinking cap since I started writing papers in high school. Pondering my bookshelf--some Faulkner, Irving, Naipaul, Kerouac, Franzen, and, of course, Dr. Seuss and A.A. Milne--for inspiration. With *The Cosby Show* playing in the background, Google chats going with two friends, and text messages coming from my boyfriend, who's on assignment in Africa. When things really get going, I'll put on *Lord of the Rings: The Two Towers*, which has kept me company through every major story of my writing career. In short, I'm ridiculous.

I know this will be alarming to read, particularly for my mother, who cares so much about my image that she began blow-drying my hair when I was 4. But it had to be written, because I've come to realize that the most significant characteristic of the Gen Y bird is that we are unapologetic. From how we look, to how spoiled we are, to what we want--even demand--of work, we do think we are special. And what ultimately makes us different is our willingness to talk about it, without much shame and with the expectation that somebody--our parents, our friends, our managers--will help us figure it all out.

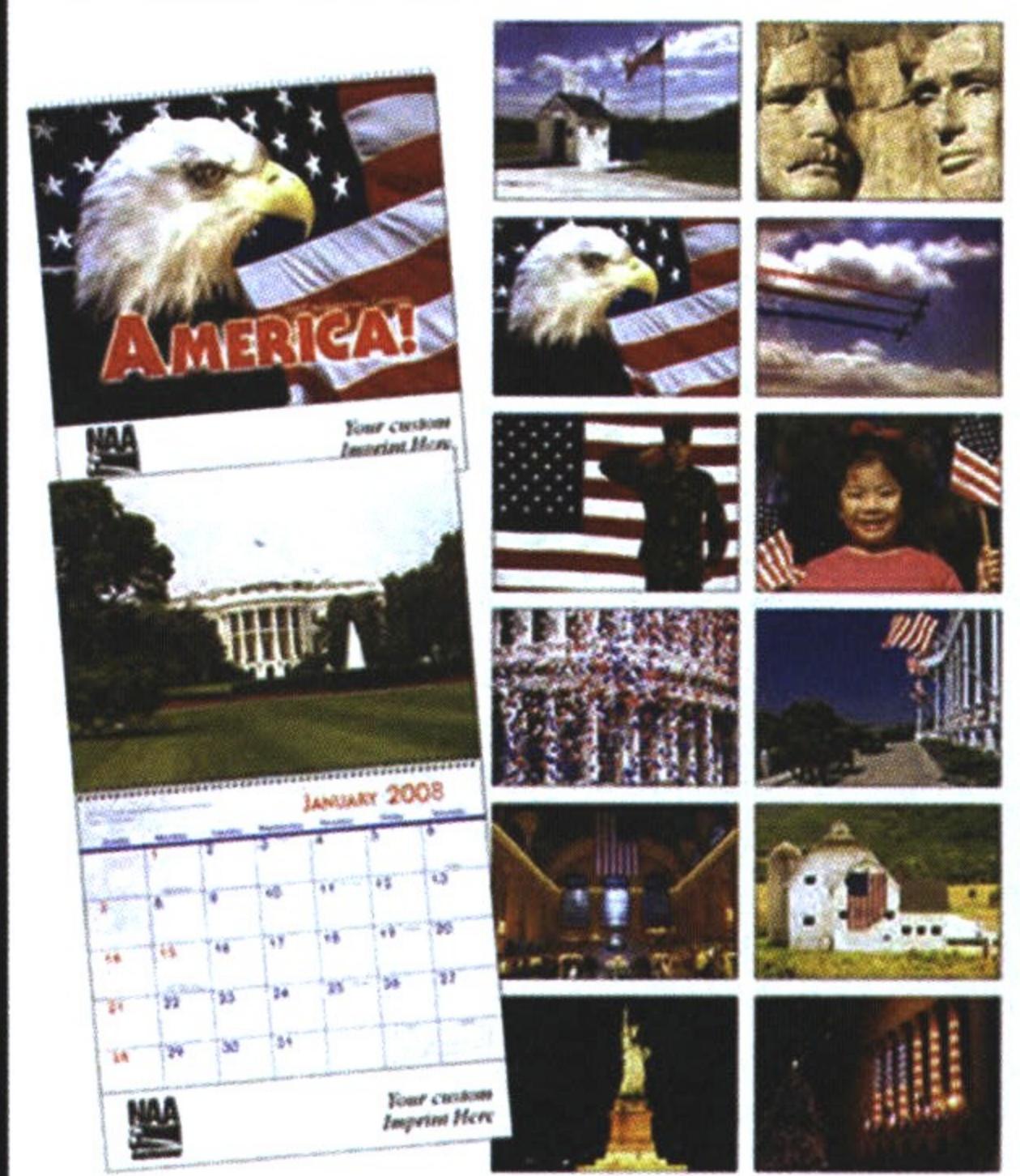
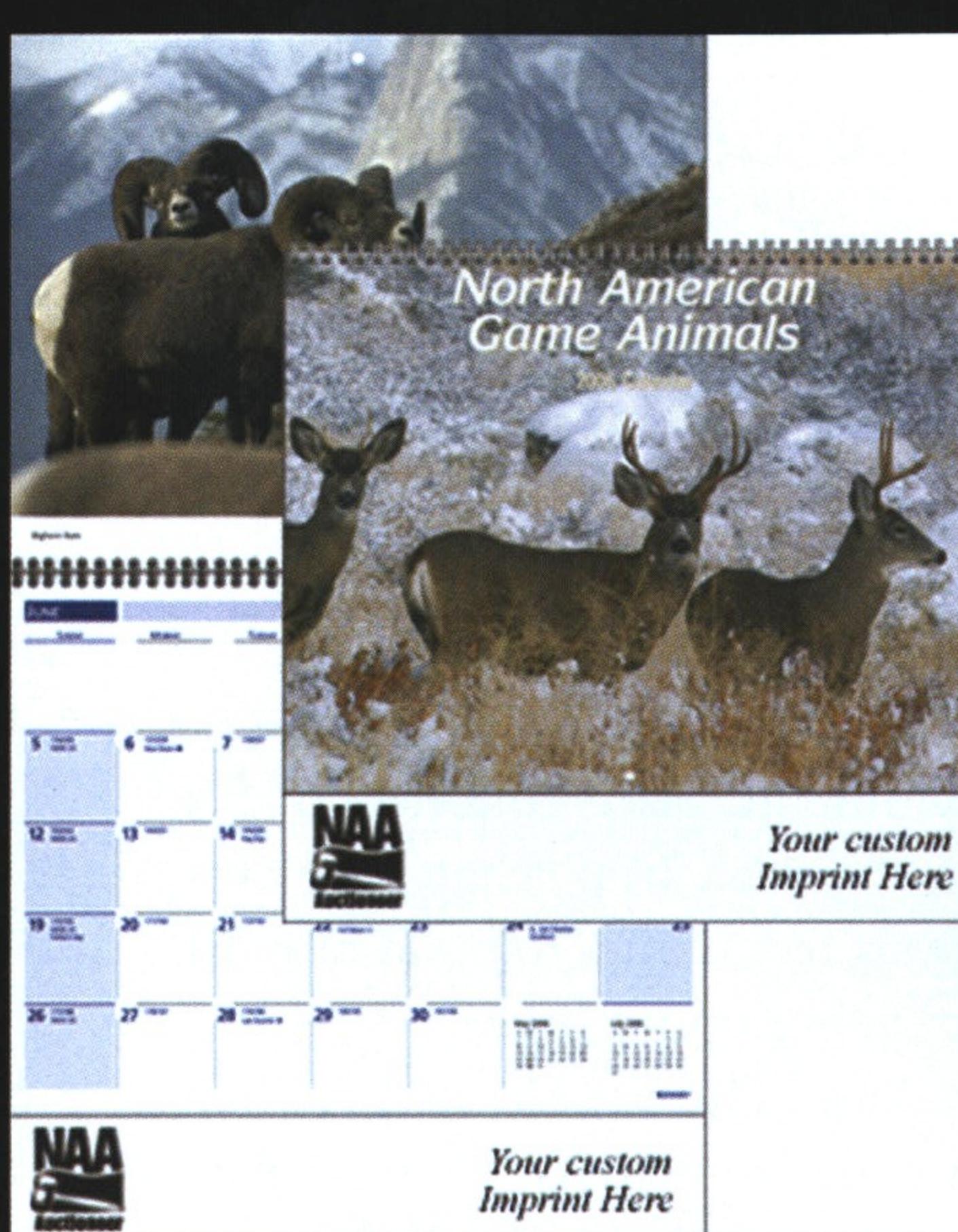
That's why, in retrospect, when I started at *FORTUNE* in 2004, I asked then-editorial director John Huey what he thought the magazine needed and how I might contribute to that end. "I don't think you need to worry about that," he said, fixing me with an ever-so-slightly amused gaze. It seemed

understanding, continued on 76

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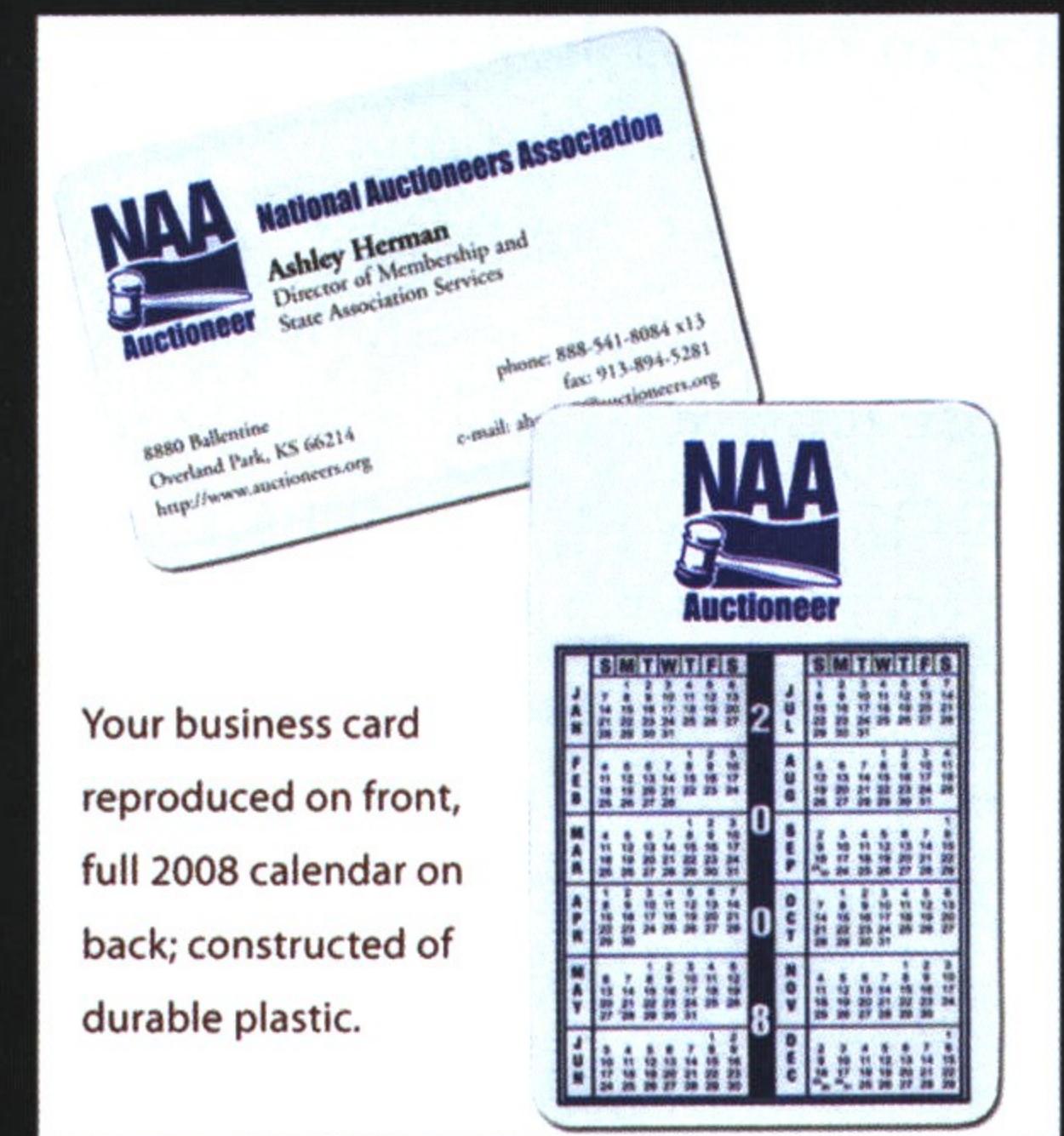
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Ways to eliminate price concerns

By Paul Cherry

How can you reduce or eliminate price concerns that a potential client has? To make the deal, hear what your customer is really saying. Here are six techniques to build rapport and prevent them from getting hung up on price.

1. Understand his biggest values. The issue is deeper than price or value. He wants to feel like he matters. He's exerting what little power he has on vendors like you, and keeping an iron grip on that low price is the most obvious way he can prove his worth. He wants to feel that he saved money.

2. Understand their fears. Most people are satisfied with something average. With fears ranging from leaving their comfort zone, to spending more money than the boss wants, to getting fired, they're more likely to passively avoid what they don't like than to actively pursue what they want.

3. Understand what they're up against

Most people want to do a good job and make a decent living, but they also want to clock out at a humane hour and have time for a life. Meanwhile, they're competing for resources, clamoring for attention, mired in daily obligations. Consequently, they unwittingly overlook the bigger picture.

4. Understand their need to feel appreciated. When companies keep a narrow focus on increasing profitability, people can slip below the radar. When the company has a great year, the CEO rarely says, "We owe it all to our purchasing agents toiling down in the basement, saving us 5 cents apiece on widgets."

Many workers you deal with feel overworked and under-respected. All they ask is that you make them look good. Provide them with solutions that'll take paperwork off their desks and keep their bosses happy with them, and they'll be happy with you.

5. Focus on the lowest TOTAL cost

Avoid getting cornered on price by talking about the lowest total cost. Instead of just the up-front, out-of-pocket cost for the company, show how lowest total cost results from on-time delivery, faster time to market, support, quality, peace of mind, ease of use, reduced down time, overhead, and labor.

6. Utilize questions to uncover what your customers' value.

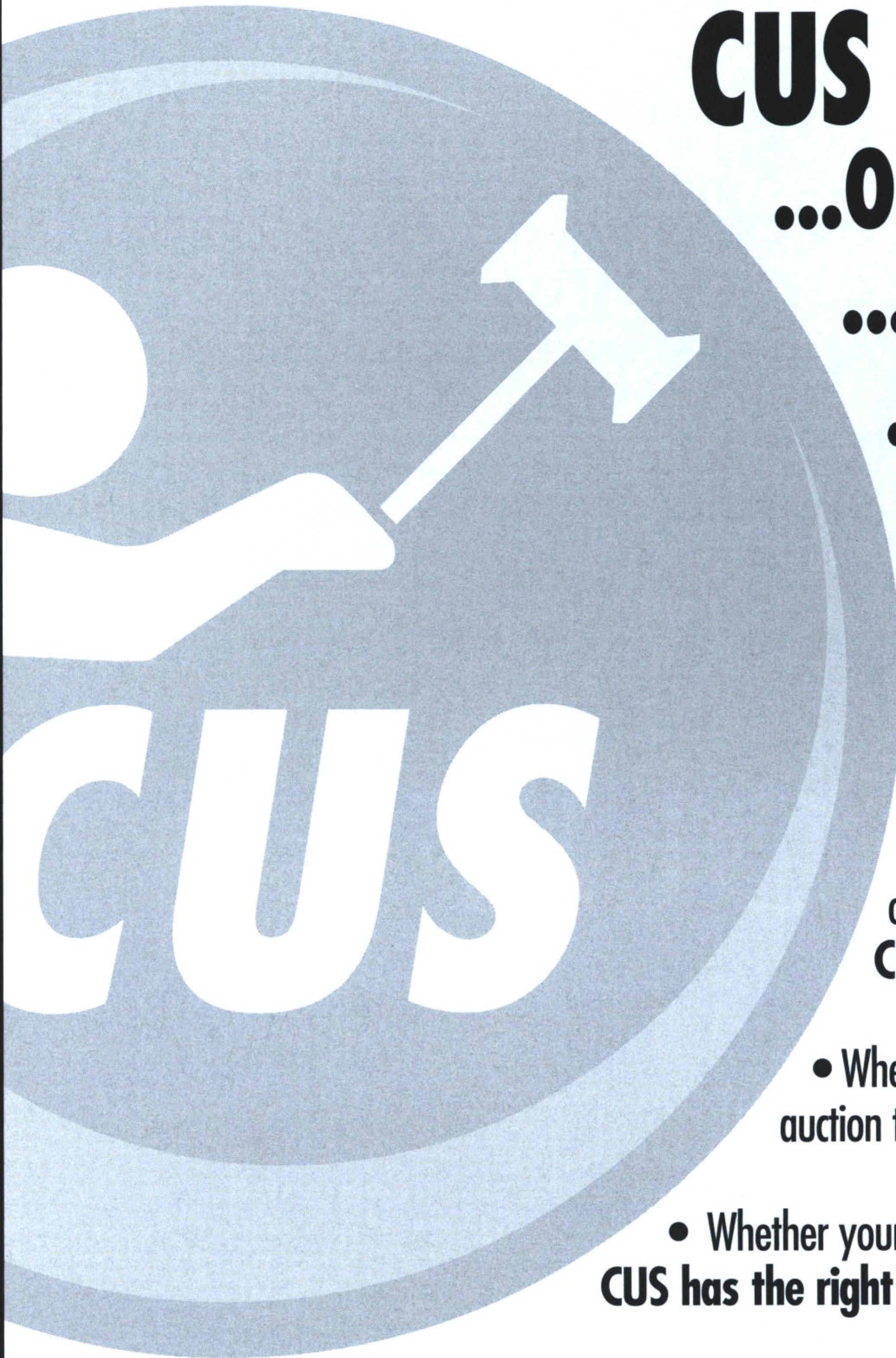
Understand what makes customers tick, see what's really

driving them. Add some of these questions to your arsenal of sales techniques:

- "Share with me the criteria you use when you're selecting a _____."
- "When it comes to price, quality, service, delivery, performance, customer support, and ease of use, which matters most to you? Which matters least?"
- Say your customer cited performance as a priority: "You mentioned that performance is important to you. Would you share with me your definition of performance?"
- "So that I'll best understand your needs, can you walk me through a situation in which your standards for performance were not met?"
- "Let's assume you're looking at three potential vendors who meet all your criteria (including price). How would you make your final decision?"
- "Think back to when you first chose your current product. What were your selection criteria? Based on what you know now, how would those criteria change?"
- "Think ahead to three years from now. What do you anticipate will be most important at that time - the initial price of the product? Or the peace of mind you'll have, knowing you're getting the necessary support long after a purchase was made?"
- "Which characteristics of this product are 'must haves' for you, and which are optional?"
- "The changes we've discussed would result in an increase in profits. What would you do with that increase in available funding?"
- "What alternatives to this problem have you considered?"

Show your customers your solution will help solve these problems. Get them to define value based on their specific needs, and it'll be much easier to justify your solution as a smarter investment over lower-priced alternatives.

Author Paul Cherry is President of the sales and leadership firm Performance Based Results and the author of QUESTIONS THAT SELL. Paul can be reached at 302-478-4443 or e-mailed at cherry@pbresults.com.



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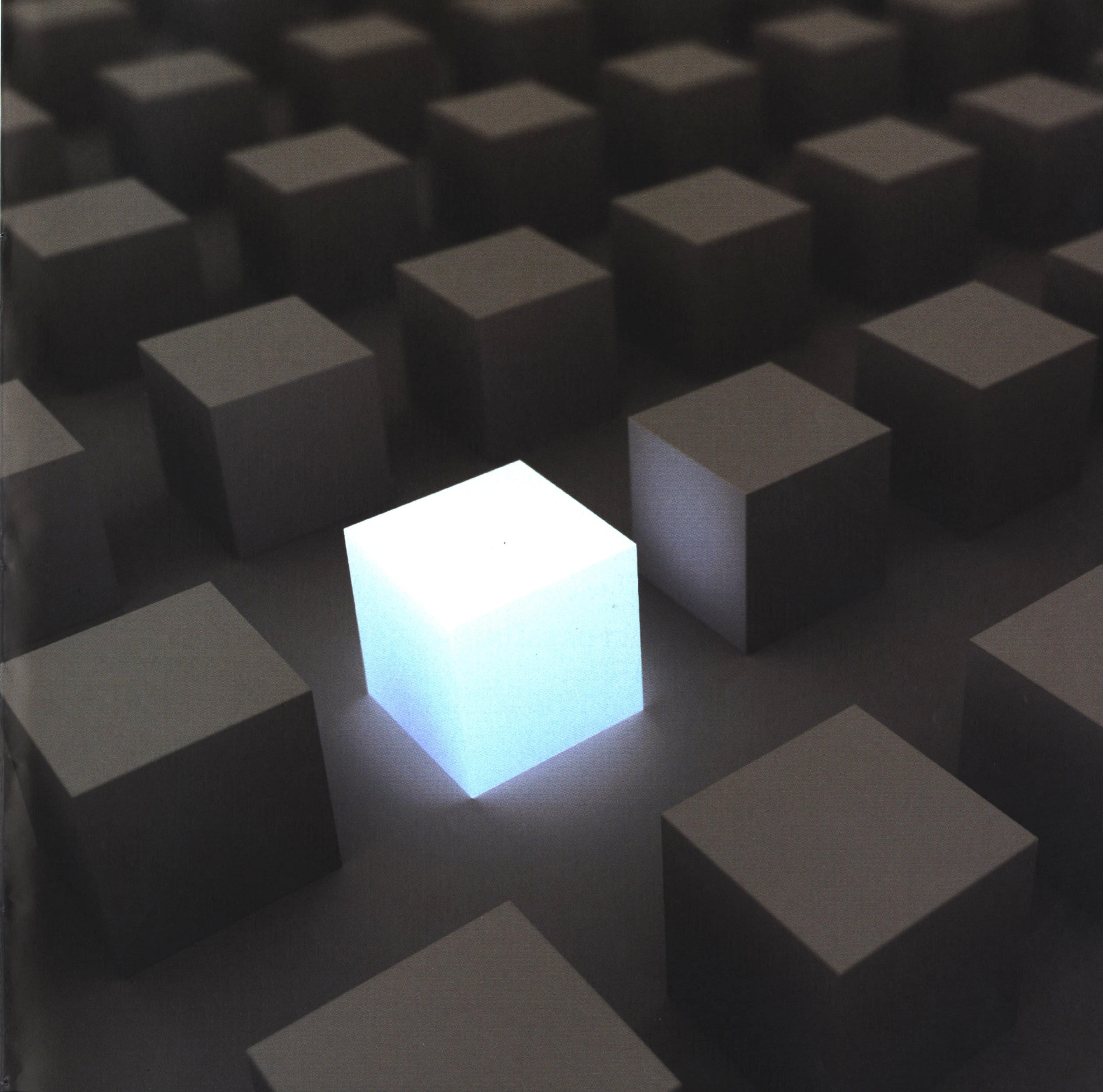


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CALIFORNIA

Tim Adams
Innovative Marketing Techniques Inc.
833 Woodlawn Ave., San Bernardino, CA 92407
(909) 473-0331, (909) 494-7417
tim@cozycasa.com

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18039 Lakeview Ave., Stratford, CA 93266
(559) 779-2699, (559) 947-9446
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danhaber1@yahoo.com

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along and we will have you out of here in good time," started many auctions.

The article goes on to say that Corkle had great impact upon the NAA. He attended his first National Convention in Omaha in 1954; his last was the Building Dedication Convention in Lincoln, in 1971. In times when the NAA needed encouragement it was Corkle's sincere appraisal of the situation that kept others working. Known for his ability to get along with people, it was the same Charlie Corkle who could be firm and unyielding on important issues and he never took the easy way unless it was the right way. It was also said that the organization would not enjoy the prestige it has if there had been no Charlie Corkle.

But what I found the most intriguing about this Auctioneer article written in 1974, was that it listed his children's names and cities of residence as his survivors. I wondered, could it be possible to contact his children from the information in this old article to see if they have any items from their father's career for the museum? After several attempts of searching for Corkle's children on the internet, I finally contacted his daughter, Joan, in Omaha. She was very surprised and pleased to hear from the National Auctioneers Museum in honor of her dad. I told her about our sound recordings of her father and asked if she would like a copy. She said she would love to be able to let her grandchildren hear their great-grandfather in action. She also said that she had some things to send the museum and gave me the contact information of her sister-in-law who had more items. Joan said that she and her family enjoyed going to the NAA conventions. However, no one in the Corkle family continued in her father's footsteps in the auction profession. She said that she and her sister and brother will plan a trip to visit the museum in the near future. I can't wait to meet them in person.

understanding, continued from 68

like a perfectly valid question at the time, but with all the hindsight that three years can offer, thinking about it makes me giddy--with embarrassment, but also a fair amount of awe. Who did I think I was? At 23, I had already had three jobs--one at a startup magazine that folded, a contract gig at the prestigious MTV News, and a stint recruiting for Time Inc., which is why I was sitting with Huey in the first place. And Huey was just an office away from becoming top editor of the world's largest publishing empire. Unwise of me, to say the least.

But that's the beauty of Gen Y. Despite the initial smirk, Huey did go on to talk to me about the magazine, his own career, and what he expected of and hoped for me. And that 20-minute conversation set a tone of learning, self-evaluation, and growth that I'm glad of now, especially as I've struggled to turn years of Gen Y news, research, and hearsay--ranging from the worshipful to the condescending--into some sort of cohesive narrative. It speaks to a confidence that's been building since our parents clapped at our first steps, right through the moment when--as so many new college graduates are doing now--we walked across the stage at universities throughout the country, straight into America's finest corporate foyers. If that makes us a bit cocky at times, it's forgivable, because I'm willing to bet that in coming years, all that questioning will lead us to some important answers. And in the meantime--sorry, Mom--I'll be out getting a tattoo.

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July, 7-12, 2008: Nashville Convention Center & Renaissance Hotel, **Nashville, TN**

July, 13-18, 2009: Overland Park Convention Center, **Overland Park, KS**

July 2010: **Indianapolis, IN**

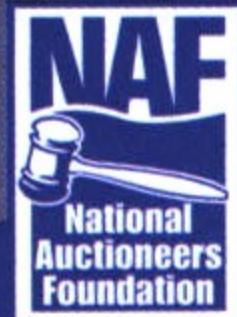
July 2011: **Orlando, FL**

July 2012: **Spokane, WA**

AUCTION INDUSTRY RESEARCH STUDY

The National Auctioneers Foundation has been proud to help fund the groundbreaking Auction Industry Research Study, which was commissioned by NAA and conducted by MORPACE International and Harris Interactive.

The results identified the gross revenue sales in each auction category, providing statistics for the media and Auctioneers to show how vital the auction method of marketing is to the U.S. economy. NAF provided \$200,000 in initial funding for this study and helps fund quarterly updates.



THIS PROJECT POSITIONS NAA AS THE LEADING SPOKESMAN WORLDWIDE FOR THE AUCTION INDUSTRY

success stories, continued from 55

Tranzon's successful auction helps elderly remain in same homes

Ocala, FL – Elderly residents of Continuum Care Corporation's assisted living/skilled nursing facilities in Maryland, North Carolina and Tennessee may rest easier now knowing that the recent auction conducted by Tranzon Driggers ensures they still have a place to call "home."

The Florida Bankruptcy Court in Palm Beach approved the sale of the nine operational Continuum Care Corporation facilities, according to Soneet Kapila, the court-appointed trustee and founding partner of the Fort Lauderdale, FL – based forensic accounting firm of Kapila & Company. The Georgia non-profit group filed for Chapter 11 bankruptcy protection in October of 2004 in the Southern District of Florida. Continuum care owned 11 properties, nine of which were operational. The other two were closed.

Kapila charged accelerated marketing/auction specialist Tranzon Driggers with the goal of selling the operational properties as ongoing business concerns to either one owner

or several owners, and offering the two closed facilities to prospective buyers as well.

Tranzon Driggers, in Ocala, FL, managed the successful sealed-bid May 30 auction of all operational facilities in tandem with the northern VA office of Tranzon Fox. Both are member companies of Tranzon, LLC, a nationwide group of accelerated marketing and auction companies.

According to Stephen Karbelk, CAI, regional president of Tranzon Fox and the lead project manager on the sale, the court approved the highest bidders from the May 30 sealed-bid auction. The nine operating facilities were purchased by four different bidders for an aggregate price of \$12,060,000.

"We were pleased with the results," said Karbelk. "The facilities are being purchased by experienced operators that are ready to make all of these properties the best they can be."

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"Round robin" real estate auctions

Do you know the book "Sell Your Home in 5 Days" by Bill Effros? It is a For Sale By Owner auction do it yourself book. The property owner presents a round robin style auction usually on a Sunday night after a weekend of stirring up prospects. During the round robin, prospective buyers write down their name, phone number and bid amount. Neither party is bound to any contracts. Bidders may come back and adjust their numbers (think silent auctions).

I have seen more and more licensed real estate agents promote this round robin auction for their listed clients. In states where an auction license is required, have agents crossed the line into an area where they should be licensed? If this is a gray area, why? And if gray, what use is it for a state to require an auction license to auction real estate? I'd be curious to know how many states' auction legislation would hold water in this scenario if tested in court.

Linda Mardi
Austin, TX

Answer: Unfortunately, I am not familiar with Bill Effros' book and did not have an opportunity to review it. I will have to take some time to review it. Whether this constitutes an auction where a licensed Auctioneer is required depends upon Texas law and how the transaction is completed.

In 2006, the NAA published the Uniform Auction and Auctioneer Licensing Act ("UAALA") as a model licensing law. UAALA defines an auction as, "the public sale of real or personal property, or both, in which the sale price of the property offered is increased by competitive bids until the highest accepted bidder becomes the purchaser." UAALA § 1-104(c). This is a broad definition and generally would include the round robin type auction. Further, UAALA states that "it is unlawful for any person to conduct an auction, engage in the business of auctioneering, provide an auction service, hold himself or herself out as an auctioneer in this State without an auctioneer license, unless the sale is exempt under section 2-102." UAALA § 2-101. Section 2-102(a) generally exempts a sale conducted by the owner of the property.

Under UAALA, it is likely that a Court would find the Realtor in violation of the law. The round robin style of sale would constitute an auction and the Realtors encouraging and controlling the sale would, therefore, need to be licensed Auctioneer. The law in Texas is a little different, you should contact an attorney licensed in Texas or the licensing commission for specific information about your state.

A real estate license generally permits a licensed person to earn commissions by selling real estate. Realtors usually list the property on a multiple listing service ("MLS") in a geographic area where Realtors are members of the MLS. The listing agent earns a commission through representing a seller in a transaction. The relationship between the listing agent and the seller is based on contract and agency law. In circumstances where the listing agent receives a commission from an auction of real estate conducted by the seller, the listing agent could potentially be viewed as receiving an auction commission. By benefiting from and promoting a real estate auction, listing agents may be crossing the line between Realtor and Auctioneer.

Auctioneers are professionals who have been trained and licensed to promote, manage and conduct auction sales. Realtors who are not licensed Auctioneers yet sell real estate via the auction method may be violating their state's auction law and potentially the real estate licensing law as well. Given that conducting an auction encompasses a variety of legal and practical issues, Auctioneers are professionals who have been properly trained to conduct auctions.

If the problem of Realtors conducting such auction sales is prevalent, reporting the matter to the appropriate regulatory authority may be appropriate.

THANK YOU

Vicki & I would like to extend a heartfelt "Thank You" for all the support and votes during my recent successful campaign for a Director position on the National Auctioneers Association Board of Directors. I would also like to Thank my Family and Staff publicly for all their Love and Support. I hope that I can continue to earn your support during my Term on the Board of Directors.

We would also like to extend a heartfelt "Thank You" to all the women of the National Auctioneers Association Auxiliary who persistently encouraged and supported Vicki to run for, and get elected to, the NAA Auxiliary Board of Directors. Vicki and I are looking forward to Serving all of the Members of both Organizations and would welcome a phone call or visit from you at our Home in Nebraska. Thank you to all who supported us and gave us this Wonderful Opportunity!

Sincerely,

Jay D. Nitz, CAI and Vicki L. Nitz
Board of Directors
National Auctioneers Association
& Auxiliary



Chicago's Inland Auctions sells over \$8 million real estate

Oak Brook, IL – Inland Auctions, Inc. recently held its Chicagoland Auction, one of the largest single-day auctions in the Chicago area, at which 74 properties were sold for more than \$8 million, including single-family homes, condos, two- and three-flats, commercial property and vacant land. More than 400 people were in attendance, with over 210 registered bidders. The average price for a parcel was \$108,000.

Billed as "Chicago's largest real estate auction," the event hosted properties that spanned from Blue Island to Westchester, including properties in the city of Chicago.

"Property values in the Chicago area have been in transition, and it can be difficult for a first-time home buyer or investor to know if they are getting a fair price," said Richard Kehoe, president of Inland Auctions. "The Chicagoland Auction gives buyers, especially first time home buyers, the confidence that they have made a purchase that fills their need at a fair price. Investors purchase at a price they feel is reasonable, because they return year after year."

The auction provides all buyers equal footing and a market appraisal, which Kehoe calls "the best form of appraisal." Because the interested bidders in the market are brought together to bid on the properties in one day, he said, buyers know they are getting the best price. "The seller is dedicated to moving the properties at what the market is willing to pay that day," Kehoe added.

The Chicagoland Auction began in 1990, and Kehoe has sold more than 3,000 properties at the event since its inception.

"Bidders are a combination of first-time home buyers and investors," Kehoe said. "This year there were more end-users than investors at the event because of the slow down in the housing market. Inland Auctions, Inc. receives inquiries about the auction all year long, and about three years ago we started holding the auction two times per year to keep up with demand."

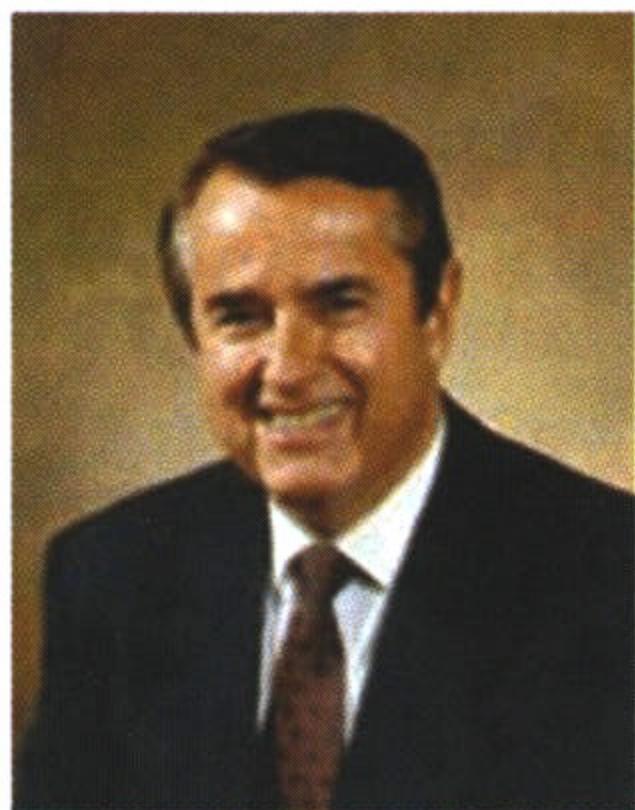
Prices in the Chicagoland Auction can range from \$6,000 and have gone as high as \$650,000. One particularly hot property in this year's auction was a home on the northwest side of Chicago, in the Forest Glen neighborhood. It was sold for \$350,000 to a buyer who purchased it for their personal use.

Inland Auctions, Inc., a division of Inland Real Estate Sales, Inc. (www.inlandresales.com), is part of The Inland Real Estate Group of Companies, Inc., which comprises independent real estate and financial companies with more than 35 years of experience specializing in commercial real estate brokerage, investments, development, acquisition and mortgage lending.

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TRICK #1: SOUND LIKE IBM

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If you have a one person or very small office (or know someone who does) we'll bet you'll love this! Here's a chance to sound like a major corporate operation because, when someone phones in to you, they will hear the sounds of voices, phones, computers, file drawers closing, all of the hubbub you'd expect to hear at a thriving office.

These folks have produced two sound tracks ("busy" and "very busy") that you can download. When clicked these sound files make your tiny office sound like a giant of the industry. Or, as the Wall Street Journal said, you can "Make your quiet office sound like it's bustling with activity." Go big time for less than the price of a couple of gallons of gas!

TRICK #2: SET UP A PIPELINE TO ANY COMPUTER

<http://www.tubesnow.com/>

This neat trick builds a pipeline (they call it a "tube") from your computer to any computer in the world. Once installed, it immediately builds secure synchronized connections between your desktop and the desktop of your friends, family, business associates, any computer including any others you use (office to home).

Anything you drag and drop to a "tube" is whisked to the desktop of anyone you choose -- and vice versa. This is a neat little service. It's easy to use and handles huge files (up to 2GB). Oh yes, put your wallet away - it's on the house!

GREAT PLACE #1: CHECK YOUR PRIVACY ON THE WEB

<http://www.javacoolsoftware.com/eulalyzer.html>

Did you ever wonder exactly what a software license agreement or web site's privacy statement says, but you downloaded the software anyway, or wandered on into the site without reading those six pages of licensing gobbledegook? We're sure you are not alone. Who wants to read through pages and pages of boring text?

This program that will analyze the wording of a license agreement and summarize the significant highlights in a flash. The software is specifically designed for license agreements but appears to reveal items of concern in privacy statements also. If you download it for personal use there is no cost for this time saving tool.

GREAT PLACE #2: THE COMPUTER OF THE FUTURE

<http://www.livescribe.com/index.html>

What if a plain sheet of paper became your computer screen? What if a pen connected the paper world to the digital world?

Picture yourself taking notes during a meeting or lecture, your pen records the conversation and digitizes your notes, automatically syncing the ink and audio. Later you tap the ink and the pen replays the conversation from the exact moment the note was written. Then you upload the notes and audio to a PC where they can be replayed, saved, searched or sent. Worth a visit!

Copies of all previous "Real Estate CyberTips" columns complete with all direct links are available at www.REcyber.com/reintelligence/cybertips.htm. Jack Peckham is the Executive Director of the Real Estate Cyberspace Society and can be reached by E-mail at bostonjack@earthlink.net. The Society's worldwide web office is open 24 hours a day at www.REcyber.com. Direct links for each of the tricks and places here or in any previous Real Estate CyberTips Columns are available at www.REcyber.com/reintelligence/cybertips.html. StoneAge readers can obtain information on Society membership by calling 888-344-0027. Copyright (c) 2007. RECS.

NAA Resources

NAA Membership and Meetings

For meeting registration, membership applications, and changes to your membership record, contact the **NAA Member Service Department** by phone: 913-541-8084 or 888-541-8084, ext. 15; fax: 913-894-5281; or e-mail: info@auctioneers.org.

PROGRAMS

St. Jude and NAA Partnership

NAA members have raised nearly \$4 million to help children since 1999. Opportunities for members to participate vary from donating a percent of auction proceeds to holding a "special" fundraising auction for St. Jude Children's Research Hospital.

International Auctioneer Championship

NAA hosts the largest bid-calling championship in the world each July during the annual Conference and Show. Participants can register beginning in February through the Conference and Show registration process. This contest has both a men's and women's division and awards a \$10,000 cash prize, a trophy and ring. A promotional video will also be aired nationwide and feature the winners.

International Junior Auctioneer Championship

The NAA's youngest Auctioneers compete in a bid calling contest in front of a live audience each July during the annual Conference and Show. Open to youth age 12 to 21, the IJAC Champion will win \$1000, a trophy and complimentary registration into the adult division of the International Auctioneer Championship once the winner meets the minimum age requirement for the IAC.

International Ringman Championship

Professional Ringman to be featured in NAA's Ringman Competition. Ringmen play a vital role and have significant impact on the success of an auction. NAA is eager to recognize their efforts and reward them for a job well done. A trophy, a \$5000 cash prize and a championship ring will go to the champion of the IRC, sponsored by the Professional Ringman's Institute. A promotional video will also be aired nationwide and feature the winner.

National Auctioneers Day

On the third Saturday in April, National Auctioneers Day is designated to recognize the creative efforts of Auctioneers and the benefits of the auction method of marketing. For more information about National Auctioneers Day see the March issue of *Auctioneer*.

NAA Marketing Competition

NAA has developed a special awards program to recognize the creative efforts of Auctioneers. The award presentations take place during the annual Conference and Show in July. Call for entries along with the rules and regulations are included in the Conference and Show brochure that is sent with the February magazine. This was formerly called the Photography, Advertising and Auction of the Year contest.

President's Award of Distinction

The President's Award of Distinction is awarded to an Auctioneer for his or her contributions to the industry and profession. This prestigious award is given during the annual Conference and Show in July. The NAA President, along with the NAA board of directors, make this selection.

NAA Education Institute

The NAA is dedicated to providing professional development opportunities for the auction industry. Members enjoy discounts on all educational events, seminars and our designation and certificate programs. Designation programs include: CAI, AARE, GPPA and CES. Visit www.auctioneers.org to learn more about NAA's business-boosting programs, or e-mail us: education@auctioneers.org. Phone: 888-541-8084 (extension 23 and 28).

Online Education

Earn continuing education credits by taking auction-related classes at home. NAA Online, in partnership with the Nashville Auction School, provides six classes, with more planned in the future. Price is \$95 for NAA members. For details call 931-455-5840.

SERVICES

Auction Calendar

Members are allowed to post their auctions on the NAA Auction Calendar on its web site—www.auctioneers.org. NAA's site receives over 4 million hits per month and increases the exposure of member auctions.

NAA Credit Card Program & Free Check Recovery

Save on processing rates when accepting credit card payments from your sellers for their purchases. Cashless Commerce now has a very low rate of 1.67 percent available to all NAA members. Call Cardmaster Solutions at 866-324-2273.

Discount Advertising Rates

Reach the buyers with Important Publications. Use your exclusive auction advertising programs. Your NAA membership entitles you to discounted advertising rates with *USA TODAY*, *Investor's Business Daily*, and *The Network of City Business Journals*. For more information call 800-510-5465.

Discussion Forum

Allows members to share information online in a quick and easy manner. Any question that you have pertaining to the auction profession can be easily addressed by other members of the association. Check this frequently, as many topics are discussed on this forum. Call NAA Web Services at 913-541-8084 or 888-541-8084 ext. 25 or log on to www.auctioneers.org for more information or to sign up.

NAA FREE Website

NAA members can receive a FREE two-page website through our partnership with

Access NAA Online

NAA's Web site, www.auctioneers.org, provides fast and convenient access to people, practices, ideas, and resources. Your member account allows you to connect online with colleagues and stay in touch with what is happening in the industry and profession. NAA's Web site is innovative and easy to navigate.

AuctionZip.com. Choose between customizable templates and individualize information about yourself and your company and post all of your auctions. To take advantage of this service, log on to www.auctioneers.org. Members who do not currently have a website, or a registered domain name (web address or URL), are required to establish and register a domain name. **Domain registration is a standard process in creating a website** and may be done through AuctionZip.com at \$9.95 per year, or you may register your domain through any domain registrar you chose.

Government Relations

The Government Relations program tracks federal and state legislation impacting the auction industry and notifies you to take action on issues when appropriate. Through the Auction Action Network (AAN), you have the opportunity to sign up to become a member of NAA's government relations network to present a united voice on issues affecting the profession.

Health Insurance - NAA Insurance Plus Program

NAA is able to offer solutions that can provide you and your loved ones with the right balance of care and service based on your personal preference, needs and budget. Programs available nationwide! Affordable and comprehensive healthcare solutions for you and your family. Act now by calling (800) 292-3797!

NAALive.com

NAALive.com provides members live web casts of on-site auctions, allowing you to attract bidders worldwide for \$125 fee & a 1.5% commission for items sold. To take advantage of this service by logging on to www.NAALive.com or call 877-456-LIVE.

Office Products and Supplies

Purchase office products and supplies that you use every day in your business with discounts up to 80% off current retail. Call toll free to order your catalog. Next day shipping of order is free. To take advantage of this service log on to www.auctioneers.org or call 866-606-4601, ext. 318.

Prescription Drug Program

Program is free to members, families and employees and provides a discount pharmacy card that provides overall savings of more than 20 percent. Call 888-541-8084, ext. 15; fax: 913-894-5281; or e-mail: info@auctioneers.org for your pharmacy card today. Help line 888-229-5383.

State License Laws Guide

Guide covering principal requirements in each jurisdiction to assist members with questions on individual state requirements. Log on to the members only section of www.auctioneers.org for more information.

Travel Services

The lowest available member rates for travel—Guaranteed! NAA Travel handles all of the annual Conference and Show and

Winter Seminar arrangements. This service is free and can be used for all your business or pleasure travel needs. Call NAA Travel at 877-363-9378.

PRODUCTS

Audio CDs

Audio CDs of the recorded NAA Educational Conference sessions can be purchased by e-mail: craigm@cmgc.com or calling 800-747-8069; fax: 818-957-0876. For a complete listing of available sessions, log on to www.auctioneers.org.

Books

This comprehensive 92-page legal guide, *Waiting for the Hammer to Fall, A General Overview of Auction Law* by Kurt R. Bachman, provides up-to-date information on issues Auctioneers encounter in their course of business. For more information call 888-541-8084, ext. 28; fax: 913-894-5281; or e-mail: info@auctioneers.org.

Membership Directory

This directory provides an up-to-date listing of all members and their contact information. This is updated annually and is published and sent to all members in April. For up to the minute membership directory, log on to www.auctioneers.org.

Merchandise

NAA provides a great selection of apparel and promotional items that members can purchase at very attractive and competitive prices. Log on to www.auctioneers.org for available products or call (866) 305-7NAA (7622).

Newsletter

Have the four-page Auction Advantage newsletter sent to a list of your customers four times a year for only 45 cents per mailing per customer. The newsletter is customized with your photo and company contact information. NAA creates and mails the newsletter. For details call 913-541-8084, ext. 15.

Opportunity Kit

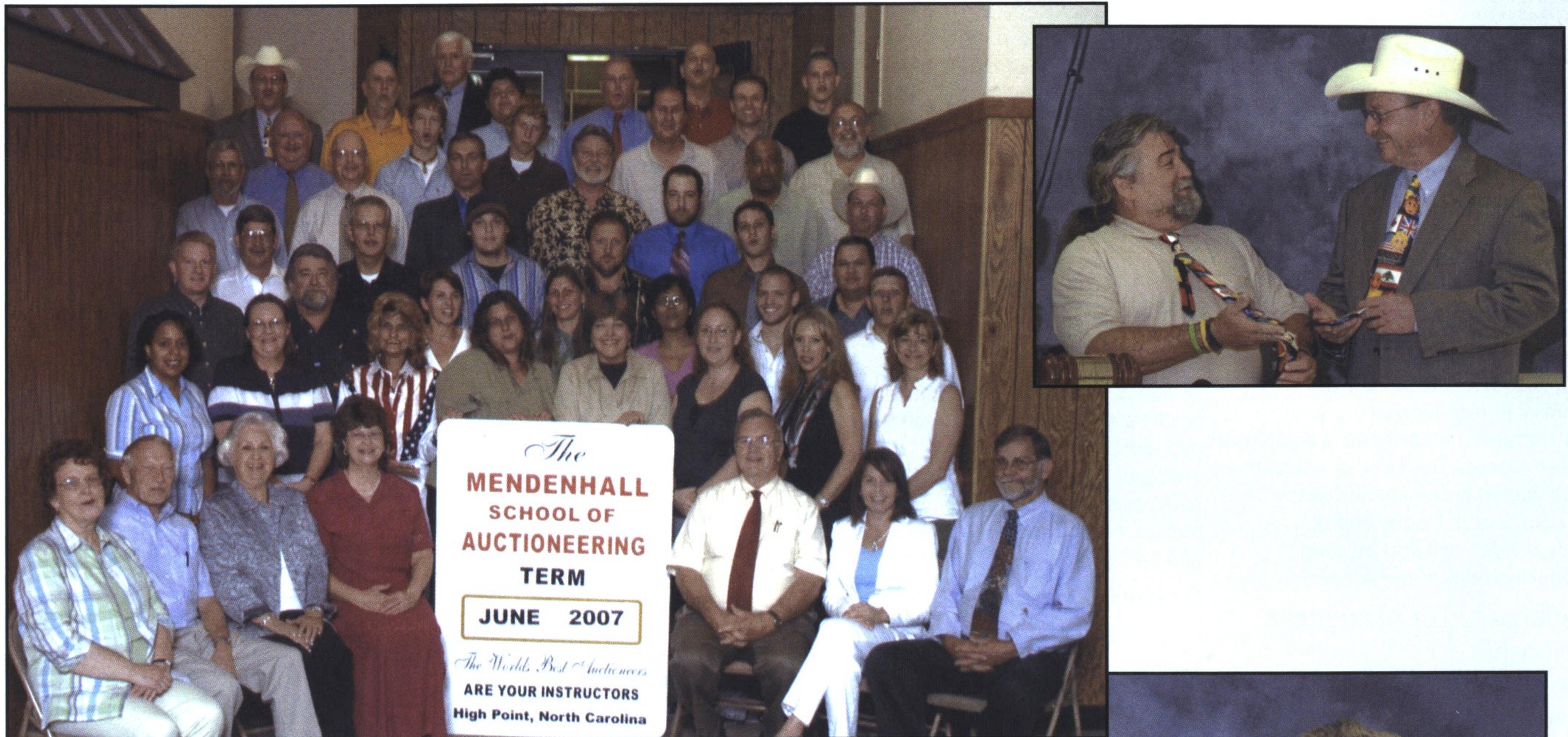
To request an *Auctioneer or Auction World* Opportunity Kit, please call 913-541-8084 or 888-541-8084, ext. 20; fax: 913-894-5281; or e-mail: wdellinger@auctioneers.org. To learn more about the benefits of advertising please call 913-541-8084 ext. 20.

Buyers Guide

We have collected information from those companies who have developed products and/or services with the auction company in mind.

Customer Survey Card

NAA provides to you customer survey cards, which you can give to customers at your auction to get their feedback. The results can be used to improve your business. Send the cards to NAA and get a detailed report back. An order form can be downloaded from the NAA website, or call member services at 888-541-8084, ext. 15.



Mendenhall School of Auctioneering, in High Point, NC, had a special charity auction for St. Jude Children's Research hospital on June 5 and raised \$13,725 for the hospital. The highlights of the auction were that a St. Jude's men's tie sold for \$3,850, and the backup bidder took one at the same price. Those men are Radford Fox, left in photo, and Gary Thomas Cato, in hat. A ladies St. Jude scarf was also sold for \$1,000 to Kathleen Ayers, of Marco Island, FL, shown in photo with School President Forrest Mendenhall, CAI, AARE.

Forty-one students graduated from the June class, including students from 12 states and one from Copenhagen, Denmark.

Forrest Mendenhall said "We are proud to be a supporter of St. Jude, and since 1996 we have raised and sent to St. Jude \$205,319. As a cancer survivor, I can relate to St. Jude and admire them for the research work they do."



In upcoming issues:

The September cover story will be highlights of the NAA 58th Annual International Conference and Show in San Diego, CA. Photos and text will recount results of the contests, seminars and other events at the world's largest gathering of Auctioneers, ringmen, support staff, families and others.

NAA wants your news

Auctioneer magazine and its sister publication, Auction World newspaper, are your publications. NAA's publications department wants to get news and photographs of your suc-

cessful auctions, as well as your letters and other feedback. Your news and photos can be featured in the Success Stories, Association News and other sections of our publications. The staff is usually able to print every news release and photo that is received. If you had special items that sold well, a benefit sale, a new method or product you tried that was successful, new members of your staff, or any other news you believe will promote your business and be of interest to NAA members, please send it by email or mail service to NAA. Email to steve@auctioneers.org, or send to Editor Steve Baska at 8880 Ballantine, Overland Park, KS. 66214.

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- Industry's best national buyer database, featuring more than 300,000 profiled names
- National and local advertising of your auctions and capabilities
- Comprehensive marketing services to assist you on the "must-win" proposals
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