



THE AUCTION BLOCK

Tennessee Auctioneers Association | TnAuctioneers.com

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This newsletter is published by the Tennessee Auctioneers Association as a service to its members and supporters in the auctioneering industry. Suggestions are welcome for articles in future editions.

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Contact a Board Member in your area or visit tnauctioneers.com



Those Who Came Before Us

PRESIDENT'S MESSAGE

During this unpredictable year, it sometimes seems as though we are just trying to keep our head above the water and make smart daily business and life decisions. Meanwhile, our climate seems to change from day to day and it's difficult to keep up. Now, instead of using the "element of the unknown" as a positive selling point to a potential client, the unpredictable nature of that statement can feel like uncharted waters. "Someone, throw me a life raft"!

How many auctioneers do you know project a high level of confidence? I think most auctioneers are all guilty of that. Otherwise, why would we put ourselves out there like we do? We try to convince people to entrust us to sell their lifelong family estates, or their businesses, or their family farm or any number of valuable assets. It's because we know we will put our name and reputation on the line every time and because of that we generally do a good job, sometimes a great job!

Today, we may have to adapt and adjust to a new way of getting from point "A" to point "B". Think about this; over the past few years, Tennessee has lost some legendary auctioneers, who were absolute pioneers in this industry. I am proud to say I knew these men. They were all well-respected businessmen who saw quite a different industry from how we define an auction in today's world. However, even though the differences among these men were vast, there was a common denominator in that they knew each of them could count on the other if someone needed help.

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To Those We Have Lost

We have lost several legendary auctioneers in the past 12 months. Please take a moment to remember these men and perhaps check in on their families occasionally.

Clive Anderson, Jr., Nashville

Hunter Morris, Memphis

Jake Durham, Murfreesboro

Hack Ayers, LaFollette

John Cook, Trimble

Royce Johns, Loretto

Charles Woodard, Dickson



President's Message Continued...

I have never tried to point out the obvious fact that when I started my career as an auctioneer in the early 90's, I was a minority in this business because no-one ever made me feel that way. Whenever I had questions, I would ask. I knew there were (and still are), a lot of people who knew more than I did.

I am still learning and still asking questions.

There are so many auctioneers who need help today in developing a new skillset, so if you can, then help them.

They may need help learning how to set up a website, how to conduct a virtual fundraising auction, how to select online software, how to catalog for an online auction or simulcast, or quite simply how to take pictures and upload them to the computer. Some may not even know what questions to ask.

What about those who came before us, who had to continually evolve in this industry. The old school Auctioneers (and I say that with great respect) didn't have the internet to give them google earth maps or drones for aerial shots. They had to rent a small plane for a day and take their own pictures from the plane with a 35mm "film" camera. Now that was fun. They didn't have online clerking software; they used a pen and paper and put a little trust into their clerk. But once you had a good clerk, they were with you for life. They didn't have computer software to create in-house marketing ads for print or online media. Back in the day, they took their own pictures and handed them off to a printer to have their ads typeset. I'll bet there are some people who have never even heard the word "typeset" and that's okay. If they wanted to access tax records, they drove to the local Register of Deeds office in person and the clerk pulled the deed. That's how you developed relationships with the people at the courthouse. I know all of this because I, too, was an old school auctioneer and proud of it.

I know times are tough and people are having to make some major changes to their business models. However, I hope these analogies help put things into a little better perspective for you. It's always going to be something. There are always going to be new challenges. Bask in the glory when you figure out a new skill and arm yourself with some new tools. We are all in this together and we are all here to help each other.

My message to you is simple. Be brave and be confident in your ability to ask questions and learn new things. This is a very difficult time for everyone, in one way or another, but our Tennessee auction market seems to be on the upswing. Treat your colleagues the way you want to be treated...with kindness and respect. Don't give up! Those who came before us had a much harder "row to hoe". And most importantly, don't let our differences keep us from working together.

***Patti Baldini, CAI, C.E.S.
TAA President***

STATE OF OUR STATE

As summer begins to fade into fall, the Tennessee auction industry continues to try and adapt to the ever-changing circumstances presented by the Covid-19 pandemic. It has been a little over six months since everyone's world was turned upside down. We have spoken with auctioneers from all around the state to find out more about what's happening in their area and there is a lot of good news! While many auctioneers have decided to jump into the online world of selling with great success, there are some who have decided to sit back or simply retire.

What we are hearing is this...Most auctioneers have transitioned into selling in the online platform; and that includes selling real estate online. Personal property has taken a very big hit, but that was beginning to happen anyway, when COVID hit. Equipment sales are very good and most of the big equipment auction companies are still conducting live auctions with an online simulcast component and doing very well.

Auctioneers are also telling us firearms, coins and pocket knives are selling above average in both the live and online format. Real Estate auctions are actually exceeding expectations, whether sold live or online. Crowds are attending the live real estate auctions and practicing social distancing, and they are also participating in the online real estate auctions. Auctioneers from across the entire state say there has never been a better time to sell a piece of real estate at auction. That is great news for all of us!

The Auto Auction industry has had to make some dramatic changes. From what we are hearing, the Independent Auto Auction Facilities in the state are back to selling in the live format, while the Corporate Auto Auctions are going, or have gone, digital. There are many auto auctioneers who work the auto auction circuit in Tennessee who have, unfortunately, been furloughed. However, some of the biggest names in the auto auction industry are beginning to hold their annual showcase televised auctions again. With COVID still widespread, they are adhering to very strict health guidelines and limiting attendance by as much as 75%. At this point, the future of the auto auction industry is still changing.

Whether you choose to sell in the live auction format, or the online auction format, each type can pose its own set of challenges. At a live auction, supplying bidders with PPE like face masks and hand sanitizers, registering bidders while maintaining the proper social distancing are all proper protocol. As well, the online auctions are faced with these challenges for scheduling bidder inspections and pick-ups. As long as the online bidding public visits your auction site in person for any reason, the proper PPE must still be supplied onsite for these people. On a good note, regarding pick-up, there are software programs that can help you manage the pick-up process very easily.

Here are some observations from some of the TAA Board members about the auction industry in their respective areas:

James Gary:

Live auctions are starting back. Farm Equipment auctions showed strong prices for quality pieces. Lower end (scrap) equipment is fairly soft due to the price of scrap metal. Firearm auctions are strong with collector grade guns and coins doing really well. Real estate seems to be doing well with most auction prices over expectations. Antique furniture and clear glassware is extremely soft.

Jay White:

The auction business is going swell! My auction firm is back in the full swing of things, and I have had several onsite live real estate sales for the past couple of months in four counties in Middle Tennessee. All properties have sold well, if not better than in 2019. It is my professional opinion that now is the time to sell! Currently, the supply is not meeting demand.

Ritchie Broyles:

There are live auctions that continue to be conducted in our area. Equipment auctions are very strong both with onsite bidders and online. I am very busy with my real estate auctions as well as private listings.

State of our State Continued...

Shane McCarrell:

The auction industry in and about the Clarksville area has continued to thrive during the Covid-19 pandemic. We were positioned to offer online only and simulcast auctions prior to the shelter at home order and have continued to serve our clients. Over the last few months we have conducted over thirty online only or simulcast auctions and have found that realized prices on quality merchandise continue to rise. Although money is tight, consumers are still buying at or above retail prices. Conversely, many estate type items have dropped a bit in price but we feel that is because many of outlets that resellers depend on are closed. During the past three months I have conducted or worked several live or simulcast real estate auctions and all have been amazing. In one case the property realized 50% more than expected. In my opinion, the auction method is alive and well and I believe that as Professional Auctioneers we must position ourselves to serve our clients in an ever changing environment. Get in front of the changes, be a leader in your community, don't sit back and wait to chase the ambulance.

There are no concrete or easy answers, but what we can do as responsible auctioneers is to educate ourselves about the reality of this virus and do whatever we can to mitigate its effect while doing face to face business with the public. This virus doesn't care whether or not your business survives or how it affects the economy. It's up to all of us to realize that we must continue to take the necessary actions and precautions to make this unprecedented health event be a part of our history instead of our future.



The TAA would like to welcome Dwayne Rogers as our the Consumer Member for the Tennessee Auction Commission.

Dwayne is a full-time realtor with Cumberland Real Estate with 24+ years in real estate and in the auction industry. "I enjoy working auctions as a ring-man and currently work with several auctioneers in the Middle Tennessee area".

Welcome Dwayne Rogers!

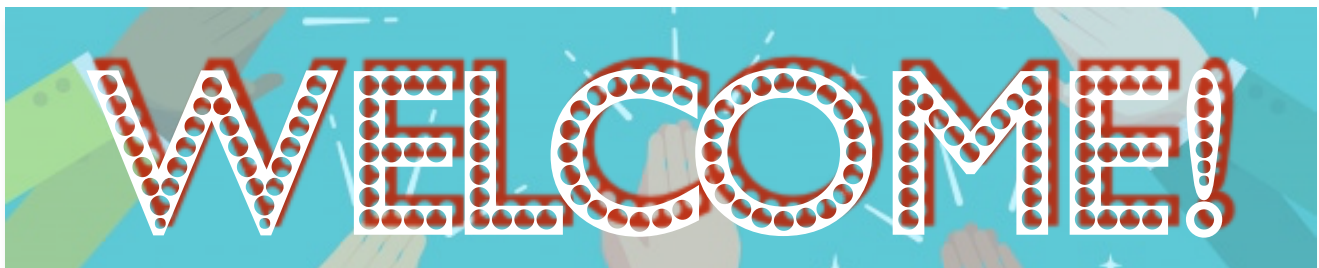
We would also like to introduce Kimball Sterling of Johnson City. Kimball is an Auctioneer of 33 years, and joined the Commission in October, 2019. " Have Gavel, Will Travel" is his tag line and he has been voted

COMMISSION NEWS

"Best of Show" by the National Auctioneers Association twice before. He has conducted seminars on both the State and

National level and is a graduate of Mendenhall Auction School and East Tennessee State University, where he received the "Award of Honor ". Kimball gained national attention by selling the entire estate of Alex Haley and the estate cane collection of rocker Johnny Winter. He is married to Victoria Salley and they have three daughters, (two of which are in business with him), and four grandchildren.

Welcome Kimball Sterling!



NAA HOLDS VIRTUAL CONFERENCE & SHOW

In late May, the National Auctioneers Association made the difficult decision to cancel their in-person 71st International Conference and Show scheduled for July 14–16. Instead, they took the conference to the digital format, conducting their first virtual Conference and Show. While everyone agrees this was not ideal, the NAA felt there was a real need to get in front of the membership. Those we have spoken with have said they were apprehensive at first, but in the end, really enjoyed the virtual conference.

On Thursday, July 16th, elections were held. This year all voting was done online.

Here are the results:

Vice President, Beth Rose, CAI, AARE, AMM

New Directors elected were:

Trisha Brauer CAI, BAS

Philip Gableman, CAI, GPPA, AMM.

And, of course Tennessee’s own Terri Walker of Memphis, was elected to the office of President. There is a great article about Terri in the August/September edition of the NAA’s magazine *Auctioneer*.



In a Statement Terri Commented:

The best auctioneers in the country come from the great state of Tennessee! Thank you so much for your support as I ran for NAA Vice President. Now comes the more challenging job; NAA President, you now have my support. As we see so much uncertainty with all that is happening across our country it is important that we stay in touch with each other to help during these times. Learning new ways to accommodate our clients as well as new ways to adjust our business models are just a few things we are faced with today. Zoom, emails and phone calls are a few ways we can stay together. You are welcome to call me at any time; I’m an auctioneer...I love to talk.

Battle of the Bluegrass Championship

Phillip Traylor of Clarksville, and TAA Board of Director member, captured Reserve Champion in the competition recently held at the Bluegrass Stockyard in Lexington, Kentucky. Craig Meir of Ennis, Texas took home the grand championship.

Other Tennessee competitors include Greg Langford and Drew Williams. Congratulations to all who competed.

Phillip Traylor
Bid Calling Reserve Champion



MULE DAY COMPETITION WINNER ANNOUNCED



The 2020 Mule Day Auctioneers Championship, hosted by the Columbia Breakfast Rotary was held on June 27th, and livestreamed on Facebook. Nineteen outstanding auctioneers from six states competed for the title. Judges Stephanie Barnett, Tim Mast and Bryan Knox did a great job as we saw the closest championship in its nine-year history.

Cory Craig from Edinburg, Illinois was named Grand Champion and Drew Williams from Dickson, Tennessee was named Reserve Champion. The Championship wishes to thank the Tennessee Auctioneers Association for their support and sponsorship of the Reserve Champion Belt Buckle over the last four years.

The Mule Day Auctioneers Championship funds the ever-popular Columbia Breakfast Rotary's College Scholarship Program. The Columbia Breakfast Rotary also makes a donation to the Columbia American Legion Post 19 for their help and support of the Championship.

This year saw all past MDAC Champions be honored with the official Tennessee Colonel Aide de Camp signed by Governor Bill Lee. CBRC member Senator Dr. Joey Hensley was instrumental in getting this achieved. Eddie Ables of Columbia served as co-chairman for the Mule Day Auctioneers Championship.

RULE CHANGES FROM THE TENNESSEE AUCTIONEER COMMISSION

In response to Public Chapter 471 of 2019, the Tennessee Auctioneer Commission proposed some rule changes for auctioneers. These rule changes took effect on July 12, 2020. Most rule changes pertain to nomenclature and change references from “apprentice” to “affiliate” or change the term “auctioneer” to “principal auctioneer” or “public automobile auctioneer.” Other minor changes included the deletion of rules pertaining to and references of gallery licenses or firm licenses and updating education rules to reflect the new standards set by statute.

Below are some rule changes which are substantive in nature:

- 1) With the deletion of firm licenses, firm license number is no longer required on advertising. However, auctioneer names and license numbers are now required based on these rules:**

0160-01-.05 PUBLICATION OF NAME.

(1) All advertising of an auction sale must be made in the name and license number of the licensee who shall bear responsibility of the sale to the seller, general public and auctioneer commission.

(2) All advertising shall include the name of the principal or public automobile auctioneer, and the principal or public automobile auctioneer shall attend all auction sales.

0160-01-.12 AFFILIATES - SPONSORS - SUPERVISION.

(5) Any advertisement placed by an affiliate auctioneer must clearly and conspicuously identify the affiliate auctioneer as such, contain his/ or her license number, and the name and license number of his/ or her sponsor.

- 2) The time period of eligibility for an affiliate to take an exam has shortened from 90 days prior to 25 days prior to completing an apprenticeship since the apprenticeship period was shortened from 2 years to 6 months by statute.**

0160-01-.06 DATES OF EXAMINATIONS.

The Commission shall, in conjunction with the current contractor, administer the examination on the dates provided by the contractor five (5) days per week excluding holidays; provided, however, no examination shall be administered to an applicant who is more than twenty-five (25) days short of completing the six (6) months required for an affiliate auctioneer license.

- 3) The following rules requiring a sponsoring and non sponsoring auctioneer to live in the same state as the affiliate was deleted.**

0160-01-.12 AFFILIATES - SPONSORS - SUPERVISION.

~~(5) All sponsoring auctioneers shall reside in the same state as his/ her apprentice auctioneer(s). However, in appropriate cases, upon good cause being shown, the Commission may waive this rule.~~

~~(6)(c) All non-sponsoring employer auctioneers shall reside in the same state as the apprentice auctioneer(s). However, in appropriate cases, upon good cause being shown, the Commission may waive this rule; and~~

- 4) Any outstanding CE requirements must be completed prior to the late renewal of a license.**

0160-01-.22 LATE RENEWAL OF LICENSE.

(1) A licensee applying to renew a license after the date of expiration, but less than two (2) months after the expiration date thereof, shall pay, in addition to any fees required for renewal and satisfaction of any outstanding continuing education requirements, a penalty of fifty dollars (\$50.00).

(2) A licensee applying to renew a license more than two (2) months after the expiration date thereof, but less than six months, shall submit an application for licensure, satisfy any outstanding continuing education requirements, and pay a penalty of one hundred and fifty dollars (\$150.00).

(3) A licensee applying to renew a license six months or more after the expiration date thereof, but less than one (1) year, shall submit an application for licensure, satisfy any outstanding continuing education requirements and pay a penalty of two hundred dollars (\$200.00).

(4) Upon written submission of good cause shown, the Commission may by a majority vote waive any or all of the penalties and requirements in paragraphs (1)-(3) of this rule, including but not limited to additional education requirements; or in lieu thereof impose such other reasonable conditions or requirements as it deems appropriate.

(5) A licensee delinquent in the renewal of a license for one (1) year or more shall reapply for licensure and satisfy all requirements for obtaining such license, including but not limited to reexamination and re-application.

5) With the deletion of the firm license, the escrow account requirement for firms was deleted. The new rule regarding escrow accounts is listed below:

0160-01-.26 ESCROW ACCOUNT REQUIREMENT.

(1) All principal and public automobile auctioneers shall maintain or have written authorization from a principal or public automobile auctioneer granting access to an escrow or trustee account for all funds that belong to others coming into the auctioneer's possession as a result of an auction sale.

(2) All principal or public automobile auctioneers shall be responsible for all funds deposited into an escrow or trustee account.

6) Licensees are required to personally maintain proof of continuing education for at least two renewal cycles

0160-03-.03 BASIC REQUIREMENTS

(2) A licensee attending a continuing education program shall provide the licensee's name and license number to the education provider in writing on the education provider's registration form for any Commission-approved continuing education program. If the licensee fails to follow the aforementioned requirement, the licensee shall not receive credit for attending the program from the Commission. Licensees shall also personally maintain proof of completion of each continuing education course for two (2) renewal cycles.

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