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Commission Members & Staff

Marvin Alexander, Chairman
West Tennessee Member
Term: 11/30/2004 – 08/31/2010

Howard Phillips, Vice Chairman
East Tennessee Member
Term: 09/01/2003 – 08/31/2009

Bobby Colson, Board Member
Middle Tennessee Member
Term: 08/31/2004 – 08/31/2010

Kenneth Dreaden, Board Member
At-Large Member
Term: 11/10/2005 – 08/31/2011

Mary Frances Rudy, Board Member
Consumer Member
Term: 04/25/2007 – 08/31/2010

Donna Hancock, Interim Director
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Daniel Syriac, Complaints Coordinator
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Mission Statement

The mission of the Tennessee Auctioneer Commission is to protect the public and licensees by monitoring the auctioneer profession through licensure and regulation.

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Tennessee Department
of Commerce and
Insurance

From the Chairman

by Marvin Alexander, Chairperson

It is hard to believe that we are one fourth of the way through 2009. The West Tennessee CE Seminar was held February 23 at Pickwick Landing State Park. We had 95 licensees attend the six-hour seminar. Our next CE program will be at Henry Horton State Park in Chapel Hill, TN on May 26, 2009.

We held the March commission meeting on March 2, 2009. We have very few complaints filed against auctioneers at this time. We have 14 open complaints with only 38 of them being more than 180 days old. Some of the 14 complaints are set for a formal hearing and will be settled in the near future. It is great to know that we have so few complaints. A few years ago, most of the complaints were being made by one auctioneer against another. Many of these were due to someone having the opinion that their competition was operating illegally.

We have just received the Attorney General's opinion concerning the new public automobile auction and public automobile auctioneer license law. This report is available to be viewed on the Internet at <http://tn.gov/attorneygeneral/op/2009/OP/OP27.pdf>.

It has come to the attention of the Commission that some auctioneers across the state are of the opinion that the TAC no longer has an investigator. As many of you know, we did lose our full-time dedicated investigator. Dennis Hodges was transferred several years ago to another position. However, The TAC is still investigating complaints, and we will continue to do so. The Department of Commerce and Insurance has about 16 investigators on staff at this time, in different areas of the state. While we have a different procedure for investigations, the TAC will have any valid complaint investigated.

During these economically challenging times, we want to avoid sending our investigators out on frivolous investigations, so I want to encourage anyone who files a complaint to do so in writing, directly to the auctioneer commission office, and to include as many details as possible regarding the location of the auction, the names of those involved, and the date(s) of the problem. Our laws do allow the investigation of a verbal complaint; however, we have had problems in the past with some people using verbal complaints to address trivial issues, to create a problem for a competitor or to address a personal matter outside our jurisdiction. These types of complaints waste valuable time and financial resources.

It is very important that you send and convey your complaints directly to the TAC office. When a complaint is investigated and presented to the commission, the members of the commission are not given any identifying information about the complaint – the licensee it is against or who is involved. The commission acts in a capacity similar to a judge and juror to make a decision if there is a violation. If there is no violation, the complaint is dismissed due to a recommendation from our legal department. If there is a violation, the commission can agree to issue a letter of warning, a letter of instruction, a consent fine of a certain amount, or we may ask for a formal hearing before a state judge. If you send your complaint to one or more of the Commission members, the member(s) with knowledge of the complaint is required by law to recuse himself/herself on the complaint. If the complaint is sent to all the Commissioners, we would all have to recuse ourselves and may not be able to rule on the complaint. Fines for illegal activity will range from \$ 50.00 to \$ 2500.00.

The Auctioneer Commission will be starting a program in the near future to randomly audit documents in your auction files, including agreements to hold an auction/contracts, closing statements, and escrow accounts information. Many of you are familiar with this audit process because the Real Estate Commission checks most of us every year. For those of you who have never had your records checked, normally you can expect the investigator to ask for records on three to five different auctions. You will be asked to present the auction agreement/contract engaging your services, details on the auction, a closing statement on the auction, bank deposits slips showing the date the proceeds from the auction and/or earnest money was deposited into your escrow account, the date you

paid your sellers, copies of your escrow records and cancelled check, and a signed closing statement showing the date of settlement and when funds were paid to the seller.

The next auctioneer commission meeting will be April 6, 2009. If you have a problem or you wish to appear before the commission, we ask that you call the TAC office and ask to be put on the agenda. In the event a situation arises where you would like to appear before the commission and have not been put on the agenda, the Commissioners have agreed to try to recognize anyone who wants to appear, provided we have time at the end of the scheduled agenda. Our meetings are open to the public and we invite any licensee or consumer to attend our meetings. The meeting is held in the Andrew Johnson Building, 2nd Floor, 710 James Robertson Parkway in Nashville, with the meeting beginning at 9:00 a.m.

Sincerely,



How We Feel About What We Do

Several years ago, a study was conducted by the National Auctioneers Association on how practicing auctioneers in various specialties evaluated their own levels of competency in 22 different aspects of auctioneering. Several interesting trends were identified that tend to hold true for many small businesses in the country.

In the auction industry, as in many other professions, communication skills represent a challenge. While most auctioneers believe themselves to be above average in their verbal communications, they evaluate themselves as falling below average in written communications. By the same token, most auctioneers evaluate themselves high in interpersonal skills and managing employees, yet they rate themselves poorly in their ability to recruit and retain employees.

While there were slight variations in these evaluations depending on the participating auctioneers' specialties, there was still consistency across specialties in the auctioneers' self-evaluations. For example, commercial, industrial, fine art and antiques, real estate, personal property, agricultural and automobile auctioneers all participated in the study. Agricultural auctioneers evaluated themselves slightly higher than the others and personal property auctioneers evaluated their skills slightly lower than the others. Nonetheless, all the auctioneers participating in the NAA study were confident in

their bid calling skills, and all of them were less than confident in their technological skills.

Just as we need to be able to assess the skills of potential employees, it is crucial for professional auctioneers and auction companies to take the time to assess and evaluate their own business and auctioneering skills. Skills assessments are a fundamental part of every good business plan. Additionally, studies that evaluate business failure are consistent in showing a failure to accurately assess business and professional skills as a key contributor to the failure of the enterprise.

If you are interested in a simple business assessment tool, the Small Business Administration provides a free, easy and accurate assessment tool on the SBA website: www.sba.gov/assessmenttool/index.html. This assessment will take less than five minutes to complete and will provide you valuable information and resources to assist you in your business and auctioneering venture. To more specifically evaluate your auction skills, you can make a list of all the skills you find are involved in auctioneering, from contracting an auction to closing an auction, and then rate yourself on a scale of 1-5 (with 5 being the best). This will provide you a good look at how you feel about what you do, whether it is bid calling or auction setup, advertising or marketing, contracting an auction or managing the auction event.

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator at 615-741-2177 (TDD).

Public Automobile Auctioneer Licensing and Public Auction Licenses

In 2009, the Tennessee Auctioneer Commission began offering new licenses for Public Automobile Auctioneers and Public Automobile Auctions. There remains some confusion regarding these new licenses, some of which have been clarified by the Attorney General's Ruling reference on page 1 of this edition of Newsline. Below are the guidelines for obtaining these licenses.

To Become a Tennessee Public Automobile Auctioneer:

1. Submit an application on the proper form.
2. Show proof of having reached at least 21 years of age.
3. Show proof of having served as an auctioneer for at least 2 years.
4. Show proof of having completed 30 hours of instruction specific to automobile auctioneering in a program approved by the commission.

To Become a Tennessee Public Automobile Auction:

A Public Automobile Auction applicant must meet the following minimum requirements:

1. Letter of compliance with zoning requirements (**also required for the motor vehicle dealer license).
2. A garage keeper's legal liability insurance policy in the amount of \$ 500,000 or more.
3. A surety bond in the amount of \$ 50,000 from a licensed bonding company payable to the auctioneer commission and another surety bond in the amount of \$ 50,000 from a licensed bonding company payable to the motor vehicle commission++. (++) required for the motor vehicle dealer license that is specifically valid for 2 years).
4. A financial statement compiled in the last 12 months (**also required for the motor vehicle dealer license).
5. A net worth of \$ 100,000.
6. A land-line business telephone in the name of the auction (**also required for the motor vehicle dealer license).
7. Permanent professionally installed sign(s) with letters that are at least eight inches (8") tall (**also required for the motor vehicle dealer license).
8. A current business tax license (**also required for the motor vehicle dealer license).
9. A valid public automobile auctioneer license displayed on the premises.
10. A valid motor vehicle dealer's license displayed on the premises which requires the following in addition to the above:
 - a. Have an established place of business physically separate and apart from other business operations (no private residence), with a minimum of 288 square feet and restroom accommodations.
 - b. Established business hours within the guidelines of the motor vehicle commission.
 - c. Current sales tax ID number as a motor vehicle dealer.
 - d. Personal and financial background disclosure form provided by the motor vehicle commission.

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2009 Continuing Education Seminar Schedule

**Henry Horton State Park
Chapel Hill, Tennessee
9 a.m. (CST) • May 26, 2009**

Speaker: Bryan Knox

Please have your pocket card handy for your license number so you can receive CE credit.

**The Tennessee Auctioneer
Commission will meet on Monday,
April 6, 2009 at 9 a.m. in the 2nd
Floor Conference Room, Andrew
Johnson Building, 710 James
Robertson Pkwy, Nashville,
Tennessee.**

Our Tennessee Heritage: *The Cherokee Purple Tomato*

Apparently, in 1990, a Tennessean from Sevierville by the name of John Green sent some tomato seeds to Craig LeHoullier in Pennsylvania to cultivate. With the seeds was a note stating the seeds were from a purple tomato given by Cherokee Indians to his neighbors some 100 years ago. These low-acid tomatoes are very close to a true purple color and can be ordered for your garden. To read more on Cherokee Purples and their connection to our Tennessee Heritage, visit: http://en.wikipedia.org/wiki/Cherokee_purple

Another Good Change at the TAC

Daniel Syriac has joined the office staff of the Auctioneer Commission as the Complaints Coordinator. Complaints can be filed by regular mail or online by visiting the Commission website at: www.tn.gov/commerce/boards/auction. Mr. Syriac will be responsible for processing all complaints and providing complaint status updates and information. You may reach him by e-mail at daniel.syriac@tn.gov or by telephone at 615-532-0073.