

MSAASUPPLEMENT



The World is Getting Smaller

- How We Communicate
- How we sell
- Values



@FAHEY SALES

Summer Picnic
Photo Recap p7

MSAASUPPLEMENT

August 2014 | Issue 71



Welcome

Thanks for taking the time to read the official web publication of the Minnesota State Auctioneers Association. We take pride in our association and are excited to provide this supplement, to assist our members in gaining a greater understanding of their benefits, and the auctioneering profession as a whole.

Viewing Instructions

If some sections have print that is too small for you to read easily, go up into your VIEW menu at the top of your screen and scroll down to ZOOM, or even click on the "View at Full Screen/Full Screen Mode" option in the VIEW menu. You can also print the document if you wish.

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Announcements

Education

There is an upcoming PACE continuing education course for Wisconsin Auctioneers to be held at Red Wing Technical College on Tuesday, August 19th, 2014. Please contact me for more information or if you are interested.

Paul Witte
 507-259-1324
 witteauction@gmail.com

Announcements?

Do you have an announcement or thank you to pass along to our membership? This space is reserved for items of note each month for our membership to know. If you have any announcement to post, please send them to Frank Imholte. frank@solditatauction.com

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MSAA Summer Picnic

A View from the Stands



Rod Johnson

MSAA, Immediate Past President

Contact 

What a wonderful day it was for our Minnesota State Auctioneers Association summer meeting in Glencoe! We certainly want to thank the entire Fahey family for their fine hospitality and for hosting this year's summer event. For those of you who didn't make it, you missed a very informative and enjoyable day. President Chris Fahey did an excellent job in lining up the program; starting with representatives from the State of Minnesota to answer our questions on sales tax. Next, it was a walk down memory lane with Matt Schultz and a look into the future with Jim Fahey. It certainly made me think about our rich past and what we need to do in the future to be successful in this great business.

I was very impressed with the facility the Fahey's have in Glencoe and we had a very interesting tour led by Jim. I think we all enjoyed finding out about this family operation and probably even learned a thing or two! After a delicious buffet at noon, we settled in for a presentation from Wavebid, who had some exciting news to share, and we then moved into our business meeting.

For the first time in over five years, I was not seated at the head table with the rest of the board members and officers. I have to admit, it felt good to be a "past" president and to observe and take part from the cheap seats! One particular thing that caught my eye was looking at all of our board of directors and officers sitting up front and thinking to myself, "every single person on that board is an outstanding member and will do a great job!" I mean, there is not a "dud" in the entire bunch! I am serious when I say that the Minnesota State

Auctioneers Association is in very good hands with this group of dedicated leaders. Thank you all for serving!

There was another positive that I took away from this year's summer meeting and that was the number of first-time attendees present. I personally talked to five people that told me this was their first-ever summer meeting and I'm sure I missed talking to a few other newcomers. To all of you that attended for the first time, I hope you enjoyed the day...learned a lot...made some new friends...will come again and that you'll become active in the Minnesota State Auctioneers Association!

Remember our 2015 Conference and Show dates are January 8, 9 and 10 at the Doubletree in Bloomington. Feel free to book your rooms now by going to resweb.passkey.com/go/MSAA2015 for your discount rate. Have a great fall and we'll see everyone in January!



The Next Generation

Auctioneers Helping Auctioneers

Scott Gillespie

MSAA, Director

Contact 



Where do we go from here? It's a question we are asked in all different ways in the auction industry. For example: consulting with a client who needs to exit a lifetime of building a business. The **WAY** to the answer may not be as important as looking in the mirror and asking the question, "What is your exit plan?" Do you even have one? The truth of the matter is there are a lot of folks out there who are great at climbing the mountain but have no idea what to do when they reach the top.

So what is the answer? Obviously, there are a multitude of correct answers for different folks, but one common denominator for all of us is that unless we make plans and carry them out, all the building and hard work will end when you are either unwilling or unable to do it yourself. That may sound harsh but never fear, there is an easy solution. The answer is to look to the next generation before it is too late. Share your knowledge and success to get them trained for continuing your legacy. Many times, a relative is chosen in transition, but if you don't have one that has the skills or desires, don't let someone's different last name discourage you from looking outside the family. If you are fortunate enough to find the individual who is a great fit with your morals and goals, consider it a gift and do everything you can to build them up and prepare them for leadership. It is understood that it will take many sacrifices; you will need to share in both the decision making (including financial decisions) and proceeds in order to slowly build up the mutual trust and to keep the fires of desire burning in both parties.

I have been working in agriculture my whole life, and only recently the auction industry, but there

are some parallels in the two that can be seen. Most farms are sole proprietorships for one reason. People want to have total control and are extremely nervous about trusting anyone outside of the "circle of trust" with any information about the farm. There are auction companies out there with similar ideas. The downside is that many times we, as auctioneers, get to sell out those farmers because they were afraid to let anyone into the operation. That person would have done things differently than the older generation. They would have made mistakes while learning and that is just too foreign when you are stuck in your ways. The end result is an auction on a three-generation farm because there is no one that has been trained to take it over. The positive scenario could be that the goals, values, and lessons learned could be passed on. If folks can make the plans, the next generation can benefit from what we have to offer.

Last month, I had the opportunity to benefit from what the auction industry has to offer. I attended the NAA Conference and Show in Louisville. The auction industry is not exempt from competition, but I witnessed some things that I think may be unique to our industry.



“The past may have provided the stepping stones to where we have reached today, but we need to expand our thinking and realize the only way to succeed as both an industry and an association is to embrace the next generation.”

First, the younger generation were treated as equals in conversations and constantly being mentored and tutored by people who they maybe had never met before that week. Second, positive reinforcement was rampant and it was obvious the “old hands” got real satisfaction out of seeing others with less years in the industry succeed. Tips were shared on everything from bid calling to how to close a sale.

What can we learn from these observations is that there are people in the auction industry who realize where our future is. It is the “Next Generation.” The past may have provided the stepping stones to where we have reached today, but we need to expand our thinking and realize the only way to

succeed as both an industry and an association is to embrace the next generation. Auctioneers must be willing to share knowledge of what they have gained, be inclusive, and open to new ideas. It is much easier said than done because our human nature wants us to only think of ourselves; but put others first if you have a vision of where you want your future to go. You need to get past the “me” mentality and look at the bigger picture. There is nothing wrong with succeeding, but there is truly something noble about dragging others along in your success and sharing the good things that can come with it. The next generation is our future and if we don’t embrace that, the future won’t include us.



MSAA Summer Picnic



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All Known Material Facts

Knowing is Half the Battle



Mike Brandly

Contact 

Four words: (1) All (2) known (3) material (4) facts.

There might not be a real estate agent in the United States who hasn't heard these four words.

A home where there was a recent murder? A warehouse where eminent domain is being discussed? A wooded property well known by neighbors to harbor ghosts? Yep, these constitute material facts which potential buyers of these properties would be entitled to know.

However, the courts in the United States are regularly applying the same standard to personal property. A car which was restored after being submerged in water? A gun used in a school shooting? A walk-in cooler that a serial murderer previously used to store body parts?

These are personal property facts potential buyers would be entitled to know as well. However, it's rarely this simple. Let's take a look at each word individually in regard to an auctioneer selling real or personal property and what disclosures are required:

1. *All* known material facts, versus only some or no material facts is fairly straightforward. However, facts concerning protected classes would be an exception. Was the gun owned by a woman? By a Hispanic? By someone with Iranian ancestry?

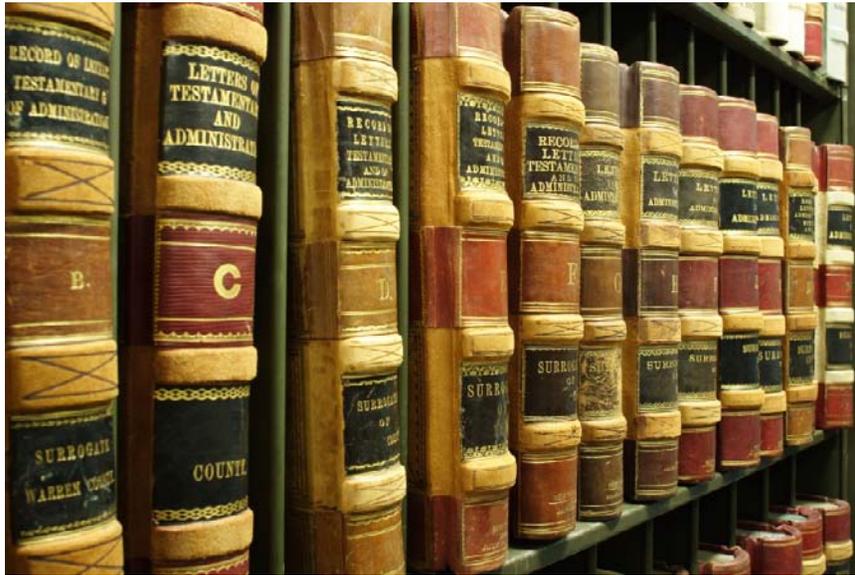
These facts would necessarily not be disclosed. Disclosure of all other known material facts even trumps the seller's legal direction to the contrary.

2. All *known* material facts don't include things not known as Auctioneers can't disclose something they don't know. However, they can be held liable if it's found the auctioneer willfully disregarded or purposely avoided knowledge. A seller can also be liable if known material facts are withheld.

3. All known *material* facts includes anything a typical buyer would consider important — and what any specific potential buyer asks about, thus indicating importance. The gun was used in a school shooting? Material by almost any measure. Gun was used in a suicide in 1954? Likely not generally material, but if a potential buyer asks, then it's material to him, and thus subject to disclosure.

4. All known material *facts* concerns things reasonably known. It's often argued that we really aren't absolutely sure of anything — so there are no genuine facts. However, that's





not the standard. Likely true or widely recognized as true is considered a fact in this regard. Such facts can be couched within “According to ...” to allow a buyer to further make their own determination of truthfulness.

A common misconception in this legal treatise regards material. Most auctioneers understand all, known, and facts. But some argue that, *“Well, I didn’t consider that important ... so I didn’t have to disclose ...”* It’s not what the auctioneer necessarily considers material, but what the public — generally — would consider material.

Lastly, there may not be an auctioneer anywhere who doesn’t use the “as-is” disclaimer in terms and conditions. This disclaimer is used to place the burden of inspection on the bidder. If a gun has a missing part, with open and reasonable inspection opportunity, a buyer would have little recourse buying this gun “as-is.”

Disclosure of all known material facts in conjunction with an “as-is” clause can alter the actual disclosure mandate to “all known latent material facts” as the patent material facts are, by definition, easily discoverable and thus (constructively) “self-disclosing.” However, a buyer who is blind or otherwise impaired (or buying online-only) might not find a normally patent issue so easily ascertainable.

For an auctioneer considering whether or not to disclose something about either real property or some piece of personal property ... it’s worth remembering the words *“All known material facts”* and see if any particular issue meets this criteria.

Mike Brandy, Auctioneer, CAI, AARE has been an auctioneer and certified appraiser for over 30 years. His company’s auctions are located at: Mike Brandy, Auctioneer, Keller Williams Auctions and Goodwill Columbus Car Auction. He serves as Adjunct Faculty at Columbus State Community College, Executive Director of The Ohio Auction School and Faculty at the Certified Auctioneers Institute held at Indiana University.



Negotiation Tip

Misdirection



John Hamilton, DREI
www.GoodNegotiator.com
 Contact 

We've known for a long time that **Information = Knowledge = Power**. Put in other terms, the more we know the more powerful we can be in a negotiation.

Because this is well known, it's now become quite prevalent for negotiating parties to put out bogus information to influence their opponents in a particular manner. Let's call it misdirection.

A Football Example

When teams are lining up in their assigned order on NFL draft day and selecting college players to join their team, it's obvious that teams hope their desired choice is still available when their turn to pick arrives.

It's the posturing that leads up to that selection process that I'd like you to focus on. Virtually all teams have their unique needs and have targeted specific players who they'd like to draft (select) in order to fill those needs.

But these teams have to be careful not to signal too clearly that they really want a specific player. If they did, they'd cause other teams selecting before them to consider that player more seriously. Also, too much interest in a specific player can influence negotiations toward a contract if that player is, in fact, selected.

In actuality, teams send mixed messages because they spread their interest activity among a large number of players to confuse the competition and adopt a better posture for future negotiations.

All this to say, most teams avoid focusing too much attention on the specific player they want.

Our World

Now our negotiations are far removed from the football arena, but the lesson is there for us to learn. Specifically, good negotiators temper or conceal the degree of interest they have in any item being negotiated.

Put in context, ask yourself how effective a negotiator would be in the following situations:

- A home buyer shares with the seller (or listing agent) that they "really love the seller's house and just have to have it!"
- A car buyer focuses all their attention and interest on one specific make and model.
- One purchasing a computer lets slip that they're only interested in one specific laptop and manufacturer.





If you were the negotiating opponent of any of these people listed above, would you feel empowered to hold out for the top price on the item being considered?

Would it be different if the home buyer shared they'd narrowed their choices to two properties or the car buyer test drove a number of makes and models?

Sending messages that there are lots of options on the table increases your negotiating power and hides one's true preferences from your opponent.

The technique to be considered here is that in a negotiation, we should **first show interest in items and positions that aren't really our first choice**. It sends a proper hard bargaining message and increases our chance of getting exactly what we want at the best terms for us.

In other words, be sensitive as to how much you tell your negotiating opponent. Employing some misdirection can be amazingly effective. Try it as you Keep Negotiating!



MSAA Membership Application

Our Association is an organization of licensed auctioneers. With the support of its membership, the association works to promote the auction profession. We are governed by an annually-elected president, vice-president, secretary/treasurer, and nine board members. These board members serve in revolving three year terms. All past officers and directors comprise an advisory committee.

Membership Benefits

- Multiple educational seminars on topics pertinent to auctioneering, marketing, appraising, government regulations, small business growth & management, and cultural enrichment
- Complimentary subscription to The Minnesota Auctioneer, the official membership publication with news and informative articles from around the state
- Combined legislative influence as membership grows
- Policing body to maintain ethical practice and thus reputation for the industry as a whole in our state
- Mentoring and problem solving with other auctioneers
- Voting privileges in annual business meeting
- Permission to use the MSAA logo in advertising and compete in marketing competitions
- Updated directory of all MSAA members

Any auctioneer with a current license is welcome to join. New applicants become members by submitting a completed membership application (right) with proper payment.

Members must pledge to be faithful to all buyers and sellers. Members are also expected to show loyalty to the organization by actively participating in state activities and events.

Annual Dues Only \$100

(Include dues check for \$100 in envelope with this application.)

- New Membership
- Membership Renewal
- Membership Reinstatement

Name: _____

Company Name: _____

Address: _____

City: _____ State: ____ Zip Code: _____

County: _____ MN License Number: _____

Email: _____

Work Phone: _____

Home Phone: _____

Cell Phone: _____

Signature of Applicant: _____

Auxiliary Dues - \$5.00

Spouse Name: _____

Spouse Email Address: _____

Membership is from January 1 to December 31. Members who join after October 1 will receive membership for the remainder of the current year and the entire following year. All members are expected to act in a professional manner and conduct an ethical business.

Questions? Call Toll Free! 800-440-9398

To submit this form, fill out then print a copy and attach any extra requirements.

Return with payment to:

Minnesota State Auctioneers Association

c/o Frank Imholte, Executive Vice President
8160 County Road 138, St. Cloud, MN 56301



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MSAA Hall of Fame Nomination

Nominations must be postmarked no later than July 1 of the year preceding the presentation of the Hall of Fame Award. Mail nomination to:

Lowell Gilbertson, Hall of Fame Committee.

Name of Nominee: _____

Residence Address: _____

Phone: _____

Business Information:

Name of Firm: _____

Position: _____

Number of Associates or Partners in Business: _____

Business Address: _____

Phone: _____

Personal and Family Information:

Name of Spouse: _____

Does spouse participate in the Auction profession? Yes No

If yes, explain: _____

Is spouse a member of the MSAA Auxiliary? Yes No

Give names and ages of children: _____

General Professional Information:

How long has the Nominee been involved in the auction business?

What percentage of the Nominee's time is actively spent in the auction business?

How long has the Nominee been a member of the MSAA?

Has the Nominee specialized in any particular field of Auctioneering?

List educational background of the Nominee. (Include offices held, current and past):

1) _____

2) _____

3) _____

List regular auctions conducted, if any, and/or special individual auctions conducted which have brought attention and credit to the profession of auctioneering.

1) _____

2) _____

List at least three individuals who have worked with the Nominee or who have knowledge of the Nominee's worthiness of being considered for this award, whom the Hall of Fame Committee may contact:

1) _____

2) _____

3) _____

Previous recipients of the MSAA Hall of Fame Award have established some general qualifications which they feel each Nominee should possess or have shown. Please reflect your personal assessment of the Nominee with respect to: HONESTY, HIGH ETHICAL STANDARDS, WILLINGNESS TO SHARE WITH OTHERS, STANDING IN HIS OR HER COMMUNITY, AND MASS CONTRIBUTIONS TO THE AUCTION PROFESSION.

Narration: (Attach separate sheet.)

Submitted by: _____

Address: _____

Phone: _____

To submit this form, fill out then print a copy and attach any extra requirements.

Return to:

Lowell Gilbertson, MSAA Hall of Fame Committee
2661 Oak Hills Dr. SW, Rochester, MN 55902



MSAA Auxiliary Hall of Fame Nomination

Qualifications for Nominees:

- Spouse must be a member in good standing in the MSAA (or past member if widowed).
- A member of the MSAA Auxiliary with recent or previous active participation.
- Participation in a related business to the auctioneering profession.
- Active in community, church, charitable or volunteer organizations.

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____

Name of Spouse: _____

Business Name: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Business Phone: _____

(Attach separate sheets if necessary.)

Auxiliary Participation:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

Community Activities:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

Personal Comments: (Attach separate sheet.)

Please include as much detail as possible on all areas. Nominations must be postmarked no later than August 1 of the year preceding the presentation of the Hall of Fame Award.

To submit this form, fill out then print a copy and attach any extra requirements.

Return to:

Deb Ediger, Committee Chairperson
218 W. Main, Belle Plaine, MN 56011
952.873.2292 or 952.873.6972



Annual Scholarship Application

**Scholarships for \$1500 each (subject to change) from the
MSAA and MSAA Auxiliary
Deadline: November 1**

Date: _____

Name _____ Age: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Date of Birth: _____

Relationship to ACTIVE MSAA or Auxiliary Member:

Child Grandchild Niece Nephew Auctioneer Spouse

An Active Member means he/she should attend MSAA Conferences/ Meetings on a regular basis and be interested/involved in promoting the MSAA/Auxiliary auction profession. Must be a member of the MSAA or Auxiliary for three consecutive years.

Name of Relative: _____

Address: _____

City: _____ State: _____ Zip Code: _____

NOTE: Only one scholarship per candidate. If unsuccessful in your application one year, please reapply.

High School Graduated from: _____ Year: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Name of College or University of enrollment: _____

Address: _____

City: _____ State: _____ Zip Code: _____

CHECKLIST

1. Scholastic Information – GPA: _____

(If senior in high school or current college full-time student. Need not be official.)

2. Honors or Community Involvement:

(List any or all school, community, club, sports and academic activities)

a) _____

b) _____

c) _____

d) _____

e) _____

3. ESSAY: Be unique and creative! Please state what you've learned from your experience in the auction profession and what you would do with the scholarship funds. The essay needs to be completed without including any names or business names that would identify the applicant or their active MSAA member. **(This is important because the Scholarship Committee is presented the essay with this information removed so the identity of the applicant is not revealed to them. The Committee is judging the content of the essay while avoiding any prejudice by the inclusion of names.)** Please complete on a separate page, sign and ATTACH ESSAY TO THIS APPLICATION FORM.

4. Please attach a copy of the letter of acceptance or proof of enrollment in your school of higher education.

5. Current letter of recommendation is required for ALL scholarship applicants.

Absolute Deadline – Must be postmarked by November 1

Relative of winner will be notified before the annual convention. Winner and MSAA Auxiliary member relative are encouraged to attend the Saturday evening President's Banquet at the annual Minnesota State Auctioneers Association Conference and Show.

To submit this form, fill out then print a copy and attach any extra requirements.

Return to:

Conny Rime, Committee Chairperson
4838 Tri Oak Circle NE, Wyoming, MN 55092

Scholarship Committee: Conny Rime (chair), LuAnna Finnila, Anita Aasness



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