

The Podium

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The Changing Face of Auctions

Also Inside:

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- **Generational Challenges**
- **The Online Advantage**
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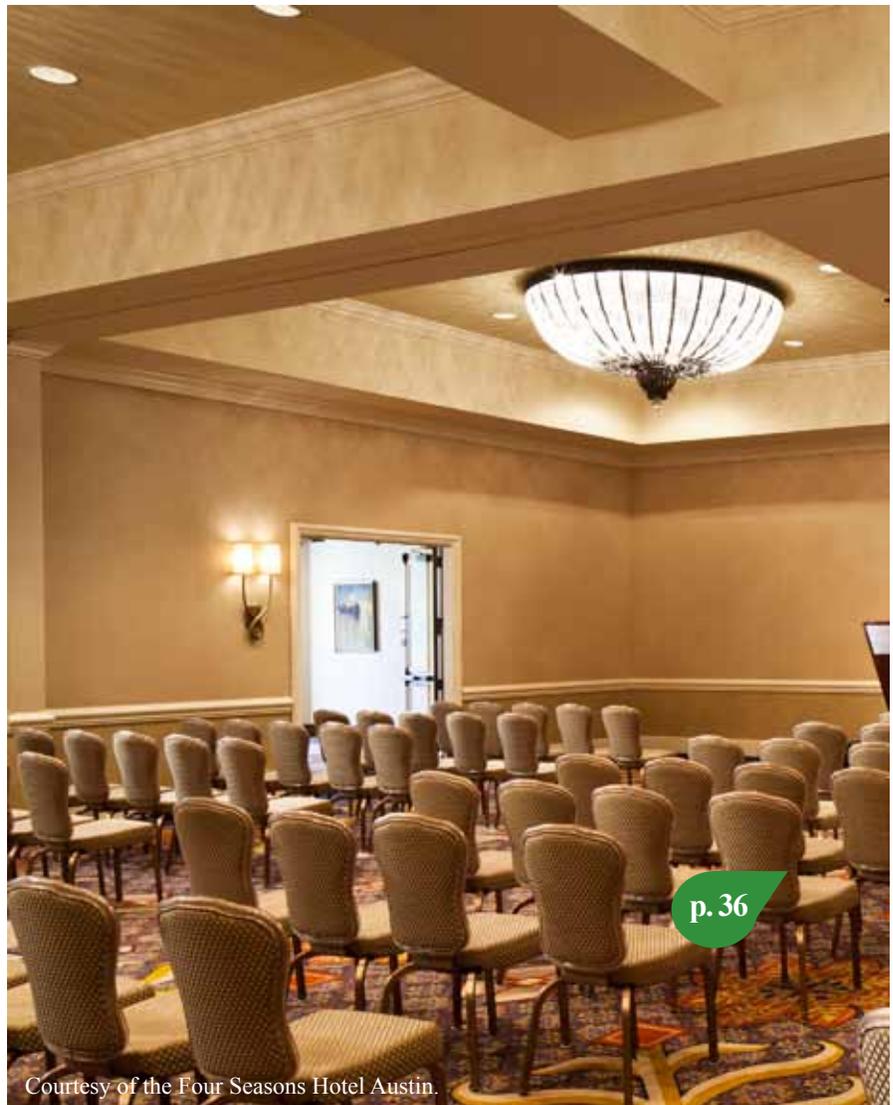
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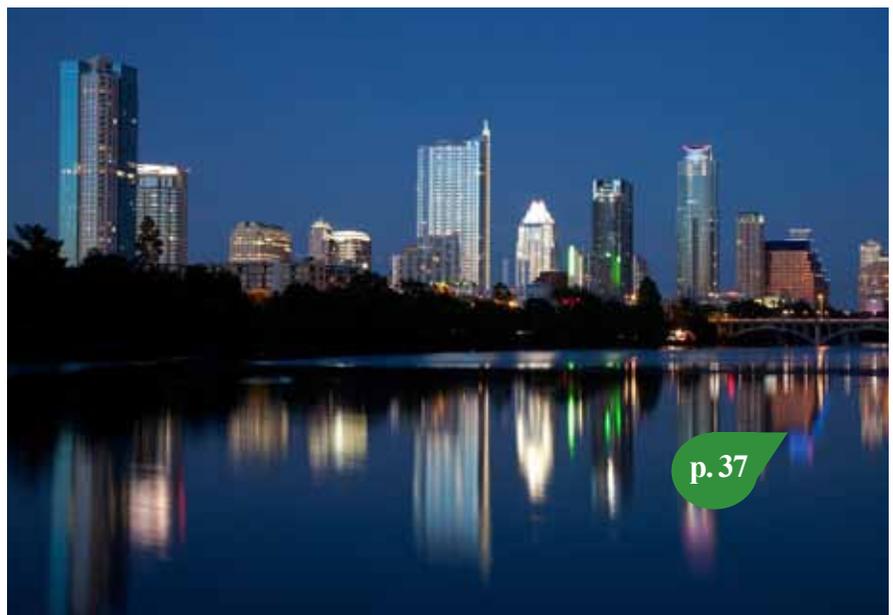
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Courtesy of the Four Seasons Hotel Austin.



From the Editor



Jasen Kisber - Editor
C3 - Crescent Commercial
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The auction world is changing. This is not your father's auction business. Except that in many cases in the world of industrial auction companies, it is your father's auction business or grand-father's or great-great... well you get the point. Auction firms have long been a generational business and a regional business. The reigns continue to be passed down through the generations, but the game is changing. Or perhaps has already changed irrevocably. Auctions have huge crowds, but they never stand physically in the same room; the closest they get to each other is looking at the same webpage. Buyers could be bidding from across the globe or across the street. The patter is disappearing from the auction sale and being replaced by silent two-minute extensions to the closing of bidding. It seems the live auction is on its way to becoming a niche player, used strategically for only the right kind of assets. It is increasingly complicated to translate the lessons and experience of one generation to the next as the entire paradigm of the auction business changes.

In the Fall 2013 *PODIUM*, generations and the move to online-only auctions play front and center. Terrance Jacobs in his article "Online Advantage" (p. 8) looks at the efficiencies of the modern auction. Howard Newman in "Tipping Point" (p. 15) highlights the change from the fanfare of his father's auction sales to the benefits of his online world. The importance of local relationships in a global auction environment is highlighted in Bruce Schneider's article, "Local Client, Global Auctions: Doing Business South of the Border" (p. 29). Robert Levy steps into the remote reaches of Alaska in "Birders and Bidders" (p. 18). Mike Rosen reflects on 100 years of auction history in his article, "From Generation to Generation: A Century of Change" (p. 12) and Shira Weissman explores the challenges of succession in "Keeping it in the Family: Generational Challenges for the Auction Business" (p. 26). Jeroen Kamminga makes a case that the new world of auctions is the most profitable way to deal with distressed assets in "The Tao of Auctions" (p. 35).

As always, in addition to our Conference Section (p. 36) and words from our Platinum Sponsors (p. 42), fashion blogger, Lisa Kisber from *LKISStyle.com* has prepared an in-depth guide to Austin, TX (p. 37) highlighting the best restaurants, shops, bars, attractions and, of course, Barbeque!



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Letter From IAA President Kyle Rosen



Kyle Rosen, President
Industrial Auctioneers
Association
Rosen Systems, Inc.

At its inception this organization was comprised almost exclusively of firms doing “plant deals” or on-site auctions of a complete manufacturing facility. And while this is still the primary focus of most firms, we have seen an incredible diversification in both the types of assets and methodology used in selling idle equipment. Obviously technology has had an impact on our ability as auctioneers to reach buyers globally through a number of different methods. But we’ve also expanded our expertise to keep up with recent changes in industries going through a revolution.

For instance, the energy industry is going through generational changes as decaying power plants are phased out, and we look to natural gas, solar, and wind as possible replacements. IAA members have been instrumental in recovering value at old plants by finding overseas buyers for turbines and identifying salable salvage materials. And we’ve led the way in the disposition of state-of-the-art solar projects that failed to get off the ground, as well as hydraulic fracturing and transportation equipment in the highly volatile oil and gas industry.

And while IAA members are still conducting on-site auctions in large numbers, an online bidding component has become the norm. Our bag of tools has expanded to include webcasts, timed internet auctions, video demos, and other technological improvements all aimed at improving the bottom line for our clients. We’re also seeing an increase in consignment and limited asset auctions as opposed to the traditional plant deals. Fortune 500 companies are seeing more value in the auction sale as an efficient and effective way to manage their surplus assets, and are turning to IAA members for a solution.

Our mission is to “promote the use of auction sales as the best method for selling idle industrial equipment.” In today’s world that is actually a very general view of our abilities, but one that we are continuing to achieve nonetheless. Never before has the auction, in its many shapes and forms, been so universally accepted as the premier method for selling surplus or idle business assets of all types. And we can’t help but take a little credit for advancing the industry to where it is now.

As we approach another year-end convention, I look forward to interacting with all of our members and sponsors. It’s a special time and a special group that I enjoy every year. I want to thank the Board of Directors for their efforts throughout the year, as well as our annual sponsors for their continued support of our organization. I’d like to thank all of the contributors to this magazine, and a special thank you to Jasen Kisber (Editor) and Scott Swanson (Publisher) for putting together another outstanding issue of The PODIUM.



Online Advantage

by **Terrance Jacobs**
TCL Asset Group



We have seen the maturation of the online approach to auction sales over the past decade. Although an inexpensive way to auction assets, it was once only used for “tech-savvy” industries such as research, computers, surface mount technology, and fibre optics.

Today, the online auction approach is used in virtually every industry and is quickly becoming as prevalent as the onsite auction, if not more so.

The online auction is now seen as a technique used by auction companies looking to control lots sold, a method of determining who can purchase the assets being sold, and in many instances, a means to complement the traditional onsite auction method.



It was just over 15 years ago when I was visiting London, England and my friends at the highly admired, Henry Butcher. Before meeting up at a local wine bar for a “liquid lunch” with Nick Taylor, Finlo Corran, and John Davis, I was invited to their new satellite office where they were conducting one of the first “on-line auctions.”

I was completely amazed as I stood over one of the “Butcher Boys,” who was auditing the sale process from his cubicle where two monitors sat. On screen #1, he was approving potential bidders who were registering on-line. Screen #2 was split: on the top of the screen was a low resolution photo of a lot currently being sold and on the bottom of the screen there was a running Total Lot Sales Report. At the time, no one could ever have imagined that this would ultimately become the norm for the modern auction sale.

“You mean to say, Bidder 1021 is from Germany, he’s bidding on an item that is located in Hungary, has never inspected the asset in person, and the winning bid amount is equal to what a live auction would bring?” IMPOSSIBLE, I thought!

Our firm has been running online auctions for our clients ever since that day in London.

In a recent project with a large magnesium company with operations in Nova Scotia, Canada, I



found myself in a situation where utilizing the online approach was the best answer for my client’s requirements.

During our initial meeting, the client expressed their concerns with regards to keeping the assets out of the hands of their competi-

“Bidder 1021 is from Germany, bidding on an item in Hungary, and the winning bid is equal to a live auction? IMPOSSIBLE!”

tors and that if a public auction was to be conducted, we would have to adhere to two restrictions. First, no foundry-specific assets could be sold within Canada to another company in a similar industry. Second, no assets could be sold to a company outside of Canada if that company was producing automotive parts.

As you can well imagine, with each restriction, our target market was shrinking!!!!

With the restrictions set in place, our team highlighted the key issues at hand and set to work devising solutions.

Given the restrictions, our marketing would have to be extremely targeted. Besides our typical advertising, we spent countless hours combing the Internet, reviewing company websites, and finding those companies that fit our registration guidelines.

Although there were restrictions on the “foundry-specific assets,” the general plant equipment could be sold to anyone. We decided the best solution would be to run two simultaneous auctions – one for the foundry-specific assets and one for the general plant assets. By separating the assets,

the general plant sale bidder registration would not be limited in any way.

As every potential bidder had to be screened, we instituted a registration deadline of two days prior to the auctions. This was in order to provide us with ample time to approve companies that had op-



erations outside of Canada and who were not in the automotive parts business.

The pre-screening process included background checks of the companies determining core business focus. Each registrant was also interviewed by phone to confirm they understood the restrictions associated with the sale. As a further precaution, each registrant had to sign a legal document to that effect before final approval was granted.

On lot-closing day, sitting at my desk, I followed the foundry-specific auction on one monitor as the core group of companies who conformed to the requirements of our client bid up the assets. At the same time, I watched the general plant auction unfold on the second monitor. Fifteen years after that fateful day in London and now I couldn't imagine conducting this auction any other way than online.

The online auction approach was also successful for us in a Clinical Lab auction sale we held last year in Toronto, Ontario. After

“I followed the foundry-specific auction on one monitor and watched the general plant auction on a second monitor.”

our initial walkthrough, we estimated the sale at just over \$1 million dollars with approximately 2000 lots to be sold. Having said that, the big money was actually represented by only a couple hundred of the assets we were sell-

ing. Instead of having a drawn-out two-day onsite live auction, we decided to run an online auction for the smaller, lower-value items on the first day, followed by a live onsite and online auction



for the major high value assets on the second day.

The online auction featured stirrers, water baths, shakers, glassware, pipettes, scales and balances, small centrifuges, and a host of other small lab equipment and office furniture. The onsite auction featured big ticket items such as Spectrophotometers, HPLCs,

FPLCs, Micro Plate Readers, Analysers, and Environmental Chambers.

Using both approaches saved us money, utilized our time better, and provided our client with the

best return for their assets. The online auction approach has become a tool, which can be manipulated in order to meet both the auctioneer's needs, as well as those of the client. We would

never have been able to provide our client with an auction sale that not only exceeded their expectations in sale results, but also respected and adhered to their restrictions regarding who could purchase their industry-specific assets.

With the advance of the Internet, the auctioneers' role in selling machinery and equipment has changed. We now have many different options to choose from when it comes to auctions, whether it is onsite or online or some combination of both. One of the main advantages of an online sale is that it is significantly cheaper to operate than the conventional "live" onsite auction. For starters, you don't need a bid-caller.



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From Generation to Generation: A Century of Change



**By Mike Rosen
Rosen Systems, Inc.**

Reaching the age of 60 and being the beneficiary of a family business has given me the opportunity to both reflect on the past and ponder the future. Our roots at Rosen Systems began in 1917 when Gus Rosen started the business in Cleveland, Ohio. With Kyle joining us in 2005, the fourth generation was secured.

Forgive me for starting now, but 100 years of success should be celebrated like votes in Chicago, early and often. My father, Irv Rosen was fond of quoting “the only constant in life is change.” As we approach this milestone, it is mind boggling to contemplate the changes that have occurred, particularly the exponential ones in the last ten years.

I remember hearing stories about Gus and his brother Ralph, who ran our Buffalo office conducting so many auctions during the Great Depression, all they had time to do was hang tags in the morning, conduct the auction, and check it out in the afternoon. They would do it all, sell, clerk and take deposits. I think that is where the term “deep pockets” originated as they would collect



cash deposits, stuff it in their pockets, and hand the buyer a crude receipt. No change made.

Irv joined his uncle, Ralph Rosen in Buffalo and Cleveland after the war. It was a great opportunity for him, as Ralph had no children and thought of Irv as his son. Ralph was good friends and played cards with my grandfather and namesake, Michael Cohen. They made the introduction and the rest is history. It was almost like an arranged marriage.

My parents married in June 1948. We had been conducting a significant amount of auctions for the Reconstruction Finance Corporation, a quasi government institution charged with liquidation of all the surplus machinery from the war effort. The head of the Dallas office encouraged Ralph to open an office there, so he thought, “the kid is getting married, let’s send him to Texas.” You can imagine the culture shock of people living in Buffalo, NY moving to Texas when there was no air conditioning.

Irv actually had a rather shy personality, but coming to Texas brought him out of his shell. It was a



real challenge as people in Texas had never heard of auctions for anything except cattle. He beat on



doors and convinced some bankers and bankruptcy trustees to give him a chance. The way he conducted his business and results of the auctions quickly earned him their trust and respect.

“In the heyday of live auctions, it was commonplace to register 500+ buyers for a large industrial sale.”

Our business model has been somewhat different from most industrial auctioneers. Ralph built relationships with the trustees and bankers.

Despite numerous opportunities he refrained from purchasing plants as he felt it would jeopardize his work for the court.

After Ralph died in 1968, Irv put his toe in the water and bought a couple of deals, but still focused primarily on his commission work. In the mid 70s, there was an explosion of appraisal work. We recognized it and placed significant focus in that arena. As I became more active in the firm, I convinced Irv that we should nurture our commission auction and appraisal work, but look for the right opportunities to make purchases. This model continues today and has served us well.

The heyday of live auctions was the 1960s-1980s. It was not unheard of, but rather commonplace to register 500+ buyers for a large industrial sale. The focus of the marketing efforts transitioned from equipment dealers to the end users, and I remember





one auction we had of a gun manufacturer's machinery and inventory in Pasadena, California in 1966 that drew over 2,000 people. With the popularity of guns that is one sale that would probably still draw a similar crowd today.

These large crowds made accounting at auctions a nightmare, and Irv was obsessed with streamlining the process. First, he changed from the old system

“A small local competitor beat us out of the deal, because they proposed to do it online.”

of tickets for each lot to typing invoices for every buyer. As soon as computers became more affordable, he was determined to find one that would work for auctions and he was the first to do so.

Many of you may remember the first “portable computer,” the Durango. It combined a printer and computer in a single unit with a separate small CRT that easily attached. With its case it weighed less than 70 lbs and could be checked as baggage. We marketed it to others for awhile, but soon realized many of the larger auctioneers weren't emotionally ready to accept the technology and it was too expensive for the smaller companies, so we discontinued the effort and used it ourselves.

In 2005, we were presented with an opportunity to bid on an auction of a small printing plant owned by two brothers in their mid-thirties. A small local competitor beat us out of the deal, because they proposed to do it online and that appealed to the owners who were obviously tech savvy.

Needless to say, we followed the auction online and were amazed at its success. Shortly thereafter, we sold a large CNC shop totally online, and the auction we estimated to bring \$1,700,000 generated more than \$2,000,000 in proceeds. It has taken a while to fully commit, but today you will have to twist my arm to do an onsite auction.

I have pondered from time to time what Irv would think about our online sales. He would be torn between his love of being on the stand and his obsession with using technology to streamline the process. I think the obsession would win, and he would



learn to enjoy watching the sale in the comfort of his air conditioned office as opposed to sweating all day in a grimy plant in the 100+ Texas heat.

I am excited about the next four years as we approach our 100th anniversary and look forward to experiencing the changes to come. I hope you will understand if you see me raise a glass of champagne, as we plan to celebrate early and often.



The Tipping Point

by Howard Newman
Loeb Winternitz
Industrial Auctioneers



The first auction my father, Jim, took me to was of Barr Labs in Niles, Illinois. It was an aerosol factory and I was only 9 years old. I still remember seeing all of these cool machines, with so many cams, buttons, switches, pulleys and gears. I was just in awe that my father actually knew what these things did! As my father walked me through the flurry of machines, people, and technology, I was overcome with amazement and excitement. One inspection and I was hooked on this business forever.

I was recently reminded of this experience when I took my kids to see Optimum Food Group, a protein processing and cooking facility, just before

“Today, online-only auctions have increasingly replaced the live auction.”

we conducted the auction. They were too young the first time I took them to a plant before an auction, so now that they are older, it was hard to get a





“What is this? What is this? What is this? What is this?” flowing from both their mouths.”

word in edgewise because of the constant stream of “What is this? What is this? What is this?” flowing from both their mouths. Not a lot of cams, buttons, switches, pulleys or exposed gears anymore, rather mostly touch screen panels. It got me thinking of

sorb the extra cost of producing an entire auction from the factory floor. The end results of an online auction are just as good—if not better. When you consider such conveniences as inspections at the customer’s leisure and pre-negotiated removal, the benefits of online auctions cannot be denied.

Still, as I recall all the live webcast sales that I’ve attended over the years, I can’t help but miss the camaraderie and festive appeal of a factory floor bonanza. At the same time, I’m also excited by the prospect of new web tools on the horizon that will no doubt create their own unique brand of community. Live sales aren’t gone yet, but there’s no question that the tipping point is here.

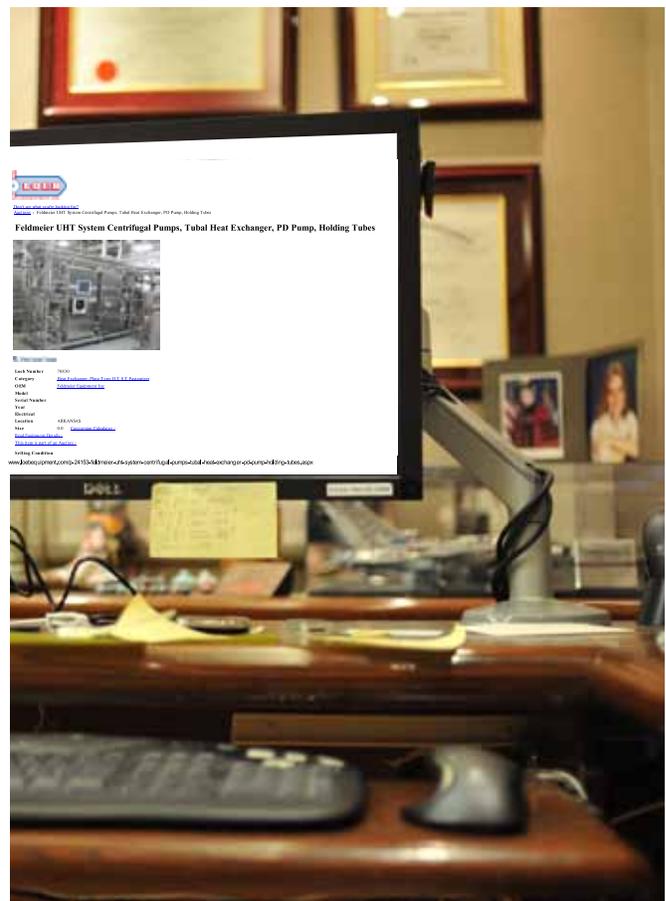
“I can’t help but miss the camaraderie and festive appeal of a factory floor auction.”

the technological changes not only on the machinery, but with the auction process itself.

Today, of course, online-only auctions have increasingly replaced the live, factory floor auction. While the old way of putting on a factory “show” was grand, it was expensive and elaborate to do.

“When you consider the convenience and efficiencies, the benefits of the online auction cannot be denied.”

Web 4.0 auction tools have become so economical and efficient that most clients aren’t willing to ab-



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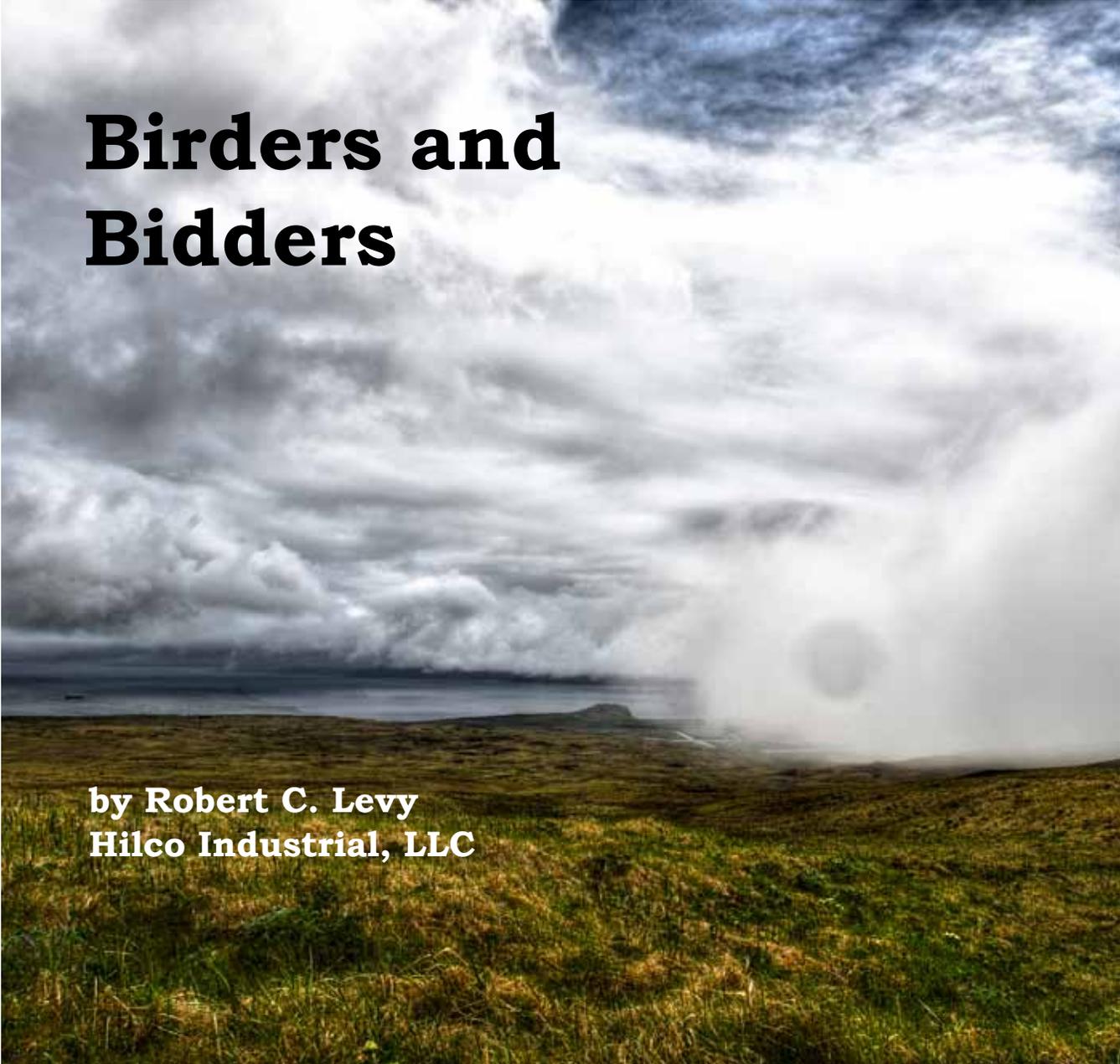
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Birders and Bidders

by Robert C. Levy
Hilco Industrial, LLC

Adak, Alaska. The most western point of the United States, twenty-five miles across, 1269 miles due west of Anchorage in the middle of the Bearing Sea, as close to Russia as the USA, but not close to anywhere. Current year round population is between fifty and eighty, depending on who you talk to.

There are two scheduled flights per week on one of six known Boeing 737 “Combi” aircrafts designed to carry both cargo and passengers. There is no guarantee of landing due to weather and many a flight have been turned back to Anchorage to wait the four days until the next scheduled flight. The passenger list for every three hour flight includes a

Boeing maintenance man for any maintenance issues that develop during the seven hour round trip and a TSA Agent to process the people leaving the island on the return flight. There are no scheduled sea vessels, cargo ferries or barges.

The island has one and a half restaurants, one bar known as the



ASBAG (Adak Sports Bar and Grill) and no hotels. There is very limited cell service and the internet is so slow and expensive that dial up speed is a fantasy.

June is the best time of the year to be there given the temperature,

which rarely exceeds forty five degrees Fahrenheit, and is frequently overcast with rapidly moving cloud formations, fog and rain. The grocery store is housed in a residential garage and has a handful of the basics.

Adak, approximately 600 miles west of Dutch Harbor where Discovery Channel's "Deadliest Catch" is filmed, was once the home of a US Naval base being a strategic location between the USA, Japan and Russia and at that time had a population of nearly seven thousand people. That was a long time ago and since the departure of the military, the island population has steadily declined. When the mili-

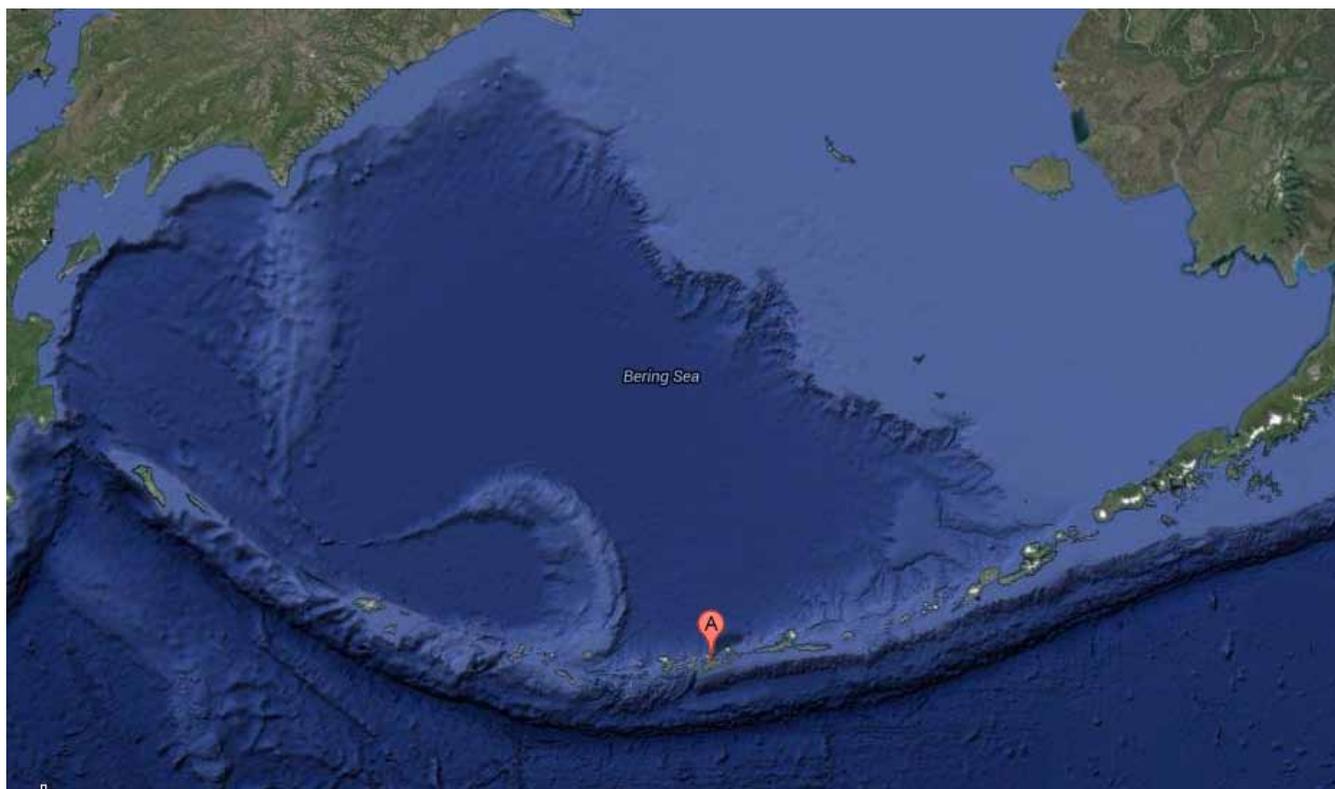
tary abandoned the island, the government worked out a deal with the Aleuts to take over the island and gave them property and cash as a settlement.

“There are two scheduled flights per week on one of six known Boeing 737 ‘Combi’ aircraft designed to carry both cargo and passengers.”

In 2007, Icicle Seafoods took over an existing 250,000 sq. ft. seafood processing facility lo-

cated in the Adak harbor. They upgraded the plant and operated it for several years, but faced with new Government established quotas to protect the sea lion population, they recognized that under their current cost structure, profitability was not feasible. They surrendered the assets of the USDA guaranteed loan back to the Rhode Island based bank, who both became my clients.

Always intrigued and energized by a challenging deal that requires a multi-faceted approach, Adak Seafood was my perfect project. I knew that my stellar marketing team would rise to the occasion and I would drive them insane at all hours of the





day and night as I came up with newfangled ideas to bring the right buyers to a bidding forum. Impossible to inspect before crafting the proposal that was requested within 24 hours, I decided to pull the all-nighter to create the project specific proposal. As promised, the decision maker decided by the end of the week and awarded Hilco the project. The apparent challenges were seemingly insurmountable. Small island, no scheduled transportation, no machinery movers, no hotels, and a surplus of bad blood between the secured party and the landlord fueled by lack of trust ensuing from a tortured history. To further complicate matters, the landlord had a claim on certain assets within the facility that the bank had a secured interest in. Doing some quick due diligence indicated that the cost to pack

“The cost to pack and ship the equipment exceeded the market value of the assets if sold piecemeal.”

and ship the equipment exceeded the market value of the assets if sold piecemeal. We had a genuine challenge ahead of us.

Logic indicated that success would only be enjoyed if we could find a turnkey buyer for the entire facility. In order for that to be a possibility, both the landlord and the secured party would have to cooperate with each other, and that was not going to happen given

the existing relationship between the two. I had to first gain enough trust of both the secured party and the landlord to become a “Marriage Counselor” to strike a deal where there would be an allocation of sales proceeds based on a mutually agreeable formula in the event of a bulk sale. I was able to convince the Bank that it was their only hope and I got



their blessing to approach the landlord. The landlord was also remarkably reasonable. I was able to put a deal together where there was a revenue share structured from an allocation of proceeds determined by values in an old appraisal. Once that was accomplished, I was set to market the assets

Our flight from Anchorage departed late Thursday afternoon on the Boeing 737 Combi aircraft. The front half of the plane was configured for cargo containers and the back half for passengers in twelve rows in a three-by-three configuration for a total of seventy-two seats. The people on the one third oc-



in bulk vs. piecemeal. We embarked on our site preparation and multi-faceted marketing campaign.

It took two days to get to Adak from Detroit. I could not risk missing the Thursday flight from Anchorage to Adak, so I had to arrive in Anchorage a day early to avoid any unforeseen delays that would cause me to miss the flight. While in Anchorage, I met with some strategic buyers in the resale and installation business. Based on our meeting, they committed to making the four-day journey to inspect that facility.

“Our transportation was a \$100 per day rusted out 1987 Ford Bronco.”

cupied flight were of various types. Our one known buyer was present, along with three other potential

unknown bidders.

Also on board was a world-renowned bird photographer trying to round out his annual selection of photos

for his website and a globetrotting retired CBRE real estate guru now turned pilot/photographer.

The three-hour flight went quickly as we flew over some pretty amazingly beautiful terrain. We landed in Adak where in the airport waiting area was a small crowd of people who had gathered to board the return flight to Anchorage. One of the people



in the boarding area was a reporter from the Alaskan Public Radio Station “KUCB” waiting to interview me before she left the island. Deemed as quite newsworthy, this sale of this 250,000 sq. ft. facility had significant impact to the island being one of the island’s only employers.

Our transportation was a \$100 per day rusted out 1987 Ford Bronco formerly used by the fire department. Only the driver’s door worked so it was challenging to get in and out of the vehicle. Our accommodations were approximately four tenths of mile from the airport and were actually quite nice. Housing was configured in rows of attached metal clad two story apartments formerly used by the military. Each had two bedrooms and two bathrooms upstairs and a kitchen, small dining room, living room, laundry room and foyer come wind breaker downstairs. There were specially designed translucent downward facing fiberglass window cowls on some of the upstairs windows so that in the winter months of blizzard conditions, windows could still be opened to provide somewhat controlled snowless airflow. There was a television, which I never turned on.

Our first meal was at one of the two eating places on the island. It was a Mexican restaurant that served tacos, burritos, beer and deep-fried snickers bars, and yes, they took credit cards. After we ate, we stopped at the local grocery store housed in a two-car garage for some simple necessities.

On Friday morning, we had breakfast at a small wood burning café for a homemade meal before we headed out to the plant for our inspection period. When we arrived, there were several people already eating and some of them were on our flight from the day before. One of them was a world-renowned aviary photographer who came to augment his annual collection of bird photos for his website. We quickly launched into conversation about photography, compared cameras, lenses and made friends. We agreed to meet later for a photo tour of the island.



Our inspection period for the facility was scheduled to accommodate buyers throughout the weekend as we were all captive until our flight on Sunday. We actually had about four people show up for the inspection over the weekend and one additional buyer that had flown in the day before our arrival on his corporate jet. Bingo! We had the potential ingredients of an auction sale.

I have always been of the opinion that keeping bidders apart is a sound strategy as some of the unscrupulous ones will figure out ways to collaborate



to reduce bidding. Adak was a very unusual sale as all of my buyers were living together for four days. We had an end user who wanted parts; a small domestic seafood company representing a large Chinese conglomerate developing a fishing fleet and processing organization. We also had two dealers, one who would buy to resell any or all of the facility's components and the other representing opportunistic wholesale buyers. There was nothing that I could do to prevent any kind of partnerships that would ultimately undermine the sale by turning my five potential bidders into one. I figured that if I stood any chance to generate success for my clients, I needed to spend a lot of time with my bidders convincing them that I, not their competitors, was the key to their success.

We ate most meals together and spent our Friday night at two adjoining round tables at the ASBAG, eating fried food and drinking until the sun went down, well after midnight. Funny thing, we all

bonded as men discussing our respective backgrounds and experiences while each of us discretely ogled the mysterious solitary female seated at the bar with increased frequency as the drinks flowed with a similarly mirrored frequency. For the moment, we forgot about our respective roles as sellers trying to get more from the buyers who were trying to buy for less.

“I felt as though I was with the main characters of the movie ‘The Big Year.’”

We spent almost four days on that island. There was not much to do if you are not a

photographer, hiker or a wildlife enthusiast. I am a photographer so I enjoyed my time of cell phone free, slowly-paced reflective quiet time with my cameras roaming the island. I spent better than half a day with the bird photographer Brian Young, driving around looking for any of the 143 different species of island and migratory birds. I felt as though I was with Stu Preissler or Brad Harris, the main characters of the movie “The Big Year” played by Steve Martin and Jack Black, in search of the holy grail of spotting the most birds in a given year. I



was able to see the beauty of the island's landscape, contorted land formations from the harsh environment, rapidly changing weather, abandoned houses once occupied by military personnel and the scientific installations installed by the government for seismic activity and secretive military reconnaissance.

Given the logistical challenges of conducting the webcast auction sale from this small disconnected island, we decided to webcast the sale from Anchorage the following Tuesday. By the time we left the island on the Sunday evening flight, I had made some very interesting acquaintances and made a new friend who I am still in contact with.

On the flight from Adak to Anchorage, I knew almost fifty percent of the thirty-five people on board and there was an unusual and comfortable camaraderie amongst us all as we all now had a common bond. I think we all shared the euphoria of our successful trip and the romanticized escape from the unknown where we were the island's temporary prisoners. Even though the levity of the atmosphere of the Anchorage bound flight was noticeably lighter and happier than that of the Adak destined flight just four days earlier, I was reticent and melancholy to leave.

We spent the Monday before the Tuesday morning sale at the hotel where we would webcast the auction from. We met with bidders in an effort to glean the amount of developing interest and to see if we could get a bidder to provide us with an opening bulk bid for

some reasonable bid protection. One such bidder appeared to be willing to provide such a bid in an amount that would make the sale a success.

The City of Adak was also present as a qualified bidder, but not because they wanted to buy the facility, but rather to protect this strategic installation from being bought by someone who would dismantle it and move it off island. They informed me that they would probably not bid

“For the moment, we forgot about our respective roles as sellers trying to get more from the buyers, who were trying to buy for less.”

if they saw an end user bidding who would re-open the plant to create jobs for the small island community.

We had ongoing conversations with the large seafood producer who indicated that they would be interested in the facility, if the price was right. When they told me what their anticipated buy price was, I told them that they needed to add a zero to the left of the decimal point otherwise they did not stand a chance of winning. That was all bravado on my part in a serious game of chicken hoping that I could get

them to raise the offer to an amount that would satisfy my three clients. They told me that I was crazy and we ended the call. Damn.

The morning of the sale arrived after a fairly sleepless night. I awoke early with a fairly serious abdominal pain that subsided

soon enough for me to carry out my responsibilities as the auctioneer to conclude the six week effort. This turned out to be my first bout of diverticulitis (and hopefully the last) that landed me in the hospi-



tal thirty-six hours later. I later learned that this resulted from the bag of sunflower seeds that I bought from the local store and consumed, with the shells.

The morning was not getting better. Our one potential bulk bidder informed me that he was not able to pull his bid together, so he was out. Our

other key potential bidder representing the large expanding Chinese fishing conglomerate was glaringly absent. I delayed the start of sale in order to call him to make sure that he was coming to only learn that he had chosen not to attend the auction because his client opted out as he no longer wanted the facility.

At the start of the sale, it appeared as though all efforts were for naught and we might not be able to sell the assets for anything meaningful. We worked very hard to align all of the variables to make this event success and I wanted to generate positive results for my clients. I called them to update them as to what had transpired in an effort to manage their expectations should our worst fears be realized.

After reading the terms and conditions of sale and explaining the bidding procedures to our small crowd of ten onsite bidders and another nineteen web participants, USDA representative in the room and the bank listening in on the webcast via phone, I began the sale seeking a bulk bid for all assets subject to a piecemeal offering.

Our large seafood operator began the bidding online with a \$250,000 bid, which was at the level of his original offer. Fortunately, we use a proprietary



webcast technology that provides anonymity to our bidders. The City of Adak, who did not want to bid against an in place operator, had no choice but to bid \$350,000 in order to protect the island's largest asset. Our online user then bid \$450,000. The bidding continued up to \$550,000 when our dealer in the room

surprisingly bid \$650,000. The bidding began to heat up and raced up to \$1,500,000, and then the dealer placed his last bid at \$1.6 million.

At that point I announced that we would not be soliciting piecemeal bids and the high bulk bidder would be awarded the facility in bulk without further competition of the piecemeal bids. The cloaked web bidder bid \$1.7 million when the city put in the final winning bid of \$1.8 million plus the 16% buyer's premium for a total of \$2,088,000.

As I cried out the archetypal "going once, going twice" before yelling the word "sold", the dichotomy of the simultaneous relief and the euphoria began to set in with the realization that I would not have to deliver devastating news to our clients, but rather that we exceeded our high end pre-auction estimate by \$88,000 selling the facility intact for the benefit of our clients as well as the local community.

Two hours later, as I settled into my seat on the flight from Anchorage to Detroit, I felt a warm inner glow of humbled satisfaction that my belief in our ability to generate success for our client as promised, was once again realized.



Keeping it in the Family: Generational Challenges for the Auction Business

**By Shira Weissman
Rabin Worldwide**



From the onset, I knew that I did not aspire to be a partner at the big law firm I worked for after law school. In an effort to display his profound work ethic, a young partner proudly informed me that he did not vacation for the first five years of working at the firm. “Not even for New Years,” he boasted inspirationally. I recall the late Friday afternoons when a partner would drop a hefty assignment on my desk with a Monday morning deadline.

As lawyers, we were always at the mercy of our client’s deadlines.

And as an associate, I was always at the mercy of the partners, who wanted to look good to those clients at \$750 an hour.

While the intellectual rigor of being a corporate lawyer was stimulating, the lifestyle was not, so I

decided to leave corporate law life and answer my father’s pleas to come work for Rabin Worldwide in San Francisco. At the time, I had no idea that crafting and negotiating deals would be so much more fun than drafting them. Or what a wild west the world of scrap, used equipment and brownfields can be. Surely, I had no idea what entering the family business would mean to me.

“My father had no formal business training and learned everything through experience.”

My father, Irving Rabin, founded what would become Rabin Worldwide with

his brothers Saul, David and Henry in the 1960s, buying whatever they could at the Army Depot in San Francisco and selling it from a rented warehouse. They ran liquidation sales on everything from lumber yards to Chinese art goods. One deal led to another, and soon Rabin won a string of gold



mining deals that elevated the company and led to more business. Irving built relationships with various dealers and concentrated on partnerships in the

“30% of family businesses do not survive the founder’s generation, and only about 12% make it to the third generation.”

food processing business, where there were few competitors. The firm continued developing its food niche, while also conducting large bankruptcy deals such as Railway Express.

This original line evolved into the robust credit line Rabin maintains today.

Irving loved to recall his first purchase of a fish cannery, which he grossly overpaid for. He went to Mexico to meet one of the few interested buyers, but had contracted laryngitis and could not speak. When the buyer made an offer, Irving didn’t answer. The buyer raised his price but Irving still couldn’t answer. When the buyer gave his final price, Irv was able to croak out a “yes”. He said it was the only time he made a profit by keeping his mouth shut. Irving never dwelt on a



My father had no formal business training and learned everything through experience, which he always said is the best education to learn the auction business. He also had a keen intuition and an excellent sense of people.

When Rabin started, the company had little money and no credit. Irving managed to get a meeting with the general manager of Bank of America, and, after one meeting and a handshake, secured a \$100,000 line, which was a lot of money at the time.

“Most importantly, there must be open lines of communication between the generations.”

bad deal, just moved on to the next.

Most industrial auction businesses have similar roots as Rabin; a young ambitious entrepreneur, usually from an immigrant family, starts scrapping and selling used metals and equipment, wheeling and dealing at bankruptcies and surplus sales. With simple models (buy low, sell high!) and a burning desire to succeed in their adopted country, these young en-

trepreneurs worked hard and built successful businesses.

Like Rabin, many industrial auction companies are on their second, third or fourth generation, taking over for parents and grandparents and uncles, gradually tweaking the business to change with the times. It is something we are proud of and stamp across our websites with slogans like “Since 1935” or “A family business for fifty years”.

Certainly, there are challenges in transitioning a family business. Market research demonstrates that 30% of family businesses do not survive the founder’s generation, and only about 12% make it to the third generation (5% to the fourth generation). These are grim statistics for a family business and heartening for private competitors. To endure, these businesses must stay relevant and have the capacity to reinvent itself. Most importantly, there

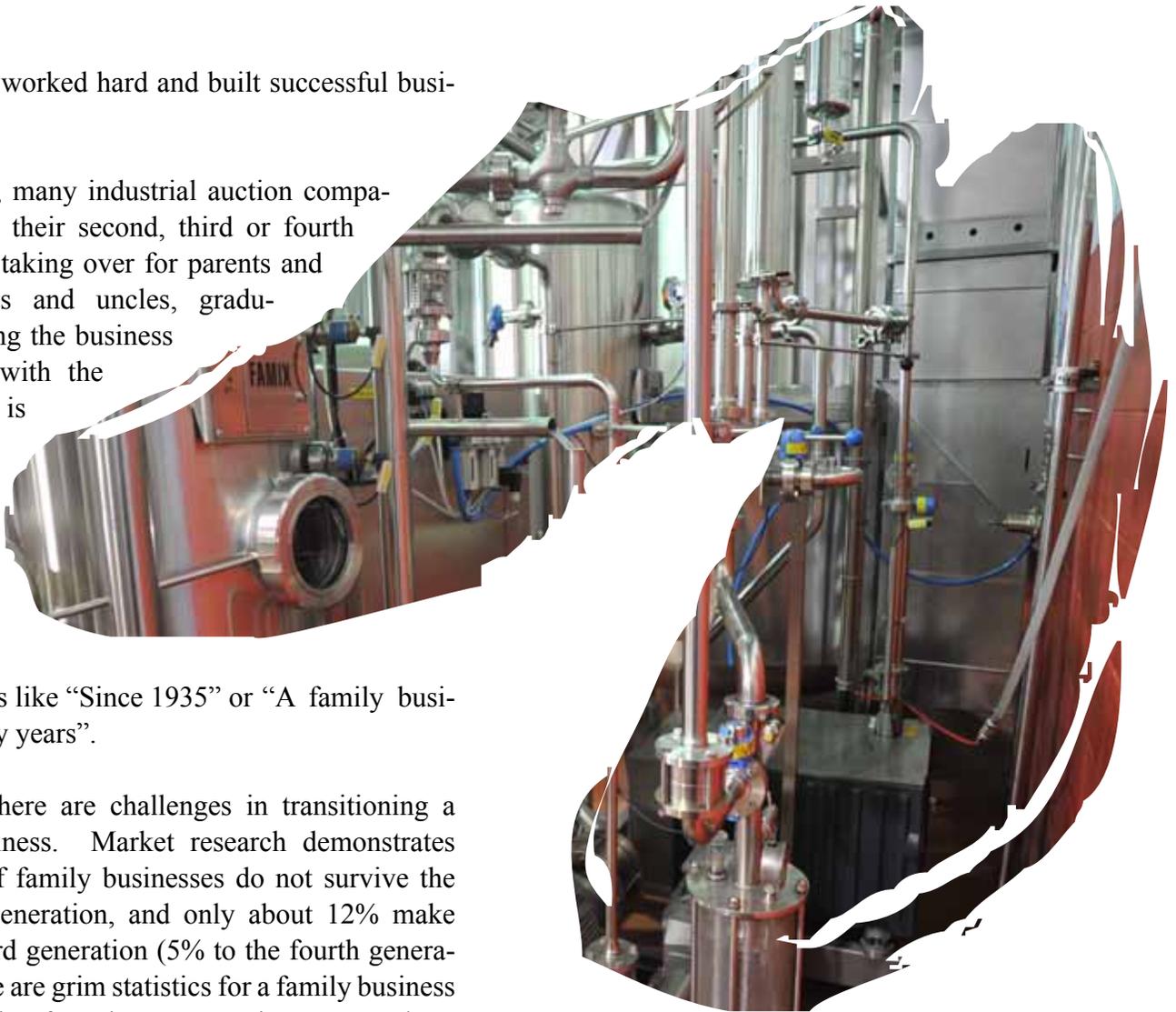
“I remember my father as a titan among men. Stepping into his shoes is no small task.”

must be open lines of communication between the generations and methodical succession training and discussion.

Particularly now, since he is gone, I remember my father as a titan among men. Stepping into his shoes is no small task. And as a young woman in an aggressively male industrial world, it seems even

more daunting. My father’s creativity and determination brought him great success and those same skills are important in any landscape. However, the industrial auction world has changed dramatically over the years as larger players and technology has increased competition and reduced barriers to entry.

While my father memorialized a deal with a handshake and a napkin, today a bankruptcy deal comes with a \$40,000 legal bill. Asset purchases are more complicated, nuanced and risky. Moreover, a deal might be split eight ways, creating much thinner margins. This is a different industry than my father’s world. Like many of our competitors and partners, our job is to continue to innovate, seeking out the next competitive edge in our industry.





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Local Client, Global Auctions **Doing Business South of the Border**



By Bruce Schneider
Schneider Industries Inc.

It's amazing how in today's world doing business locally can lead you all over the globe. At Schneider Industries, it was a local, domestic client that led us to open our Latin America Office under some interesting circumstances.

In 2002, we became aware that Mexico, Central and South America had potential to become a huge, market for buying and selling industrial equipment that remained largely untapped for American auction companies. For us, it all began with a local, US connection.

St. Louis-based Emerson Electric approached Schneider Industries about marketing and auctioning the



equipment at their foundry in Torreon, Coahuilia, Mexico. Bruce Schneider, President of Schneider Industries replied, “We’ve never even been to Mexico”. In response, our clients at Emerson Electric indicated that they were aware of our history, outstanding references and successful results in the United States. Time was of the essence, and the decision was made to move forward with an auction event.

Back then, Mexico & Latin America were unfamiliar markets in our industry. Mexico & Latin America had not had a great deal of exposure to the American auction process. It seemed, at the time, that corporate America was just becoming familiar with the Mexico & Latin American business model. It was going to require understanding and communication between cultures to achieve success.

It was with a leap of faith and courage that Schneider Industries took the challenge. At that point,

“At 10:00 a.m., we realized that we had only two registered bidders — hardly enough for competitive bidding.”

we began to discover the opportunities and potential that these markets offered.

The Emerson Electric auction was a very successful event, but we quickly came to understand the difference in cultural dynamics.

We had advertised the auction to begin at 10:00 a.m. Checking our watches at 10:00 a.m., we realized that we had only two registered bidders in attendance -

hardly enough for competitive bidding and a successful auction outcome.

We approached our on-site Emerson representative with apologies that the event was not going to successfully proceed with only two bidders. We indicated that we would refund to Emerson the auction marketing and operating expenses. Surprisingly, the representative was not concerned and we were told, “We (Emerson) have done a lot of work in

Mexico, let’s just wait and see what happens in the next few hours”. To our surprise, 38 additional bidders arrived and ensured the success of this auction. The sale started a couple of hours past advertised time, but the delay was well worth the wait.

Additionally, Torreon, Mexico turned out to be a foundry hotbed. Companies



from other area foundries sent their representatives and enthusiastically participated. In retrospect,

“It was with a leap of faith and courage.”



many US equipment dealers, after watching the auction on-line and seeing the sales results, noted that a similar auction held in the US would most likely have generated sales of approximately 50% of the actual bring which was in excess of US\$330,000.

Since that event in Torreon, we have conducted and managed multiple sales of equipment, real estate and complete plants for locations throughout Latin America. Some of these projects include a multimillion dollar sale for Effem de Mexico in Monterrey (Mars Corporation), the sale of equipment and real estate for Grupo Herdez in several Mexican locations, real estate for Takata in Monclova, an auction for Campbell’s Soup in

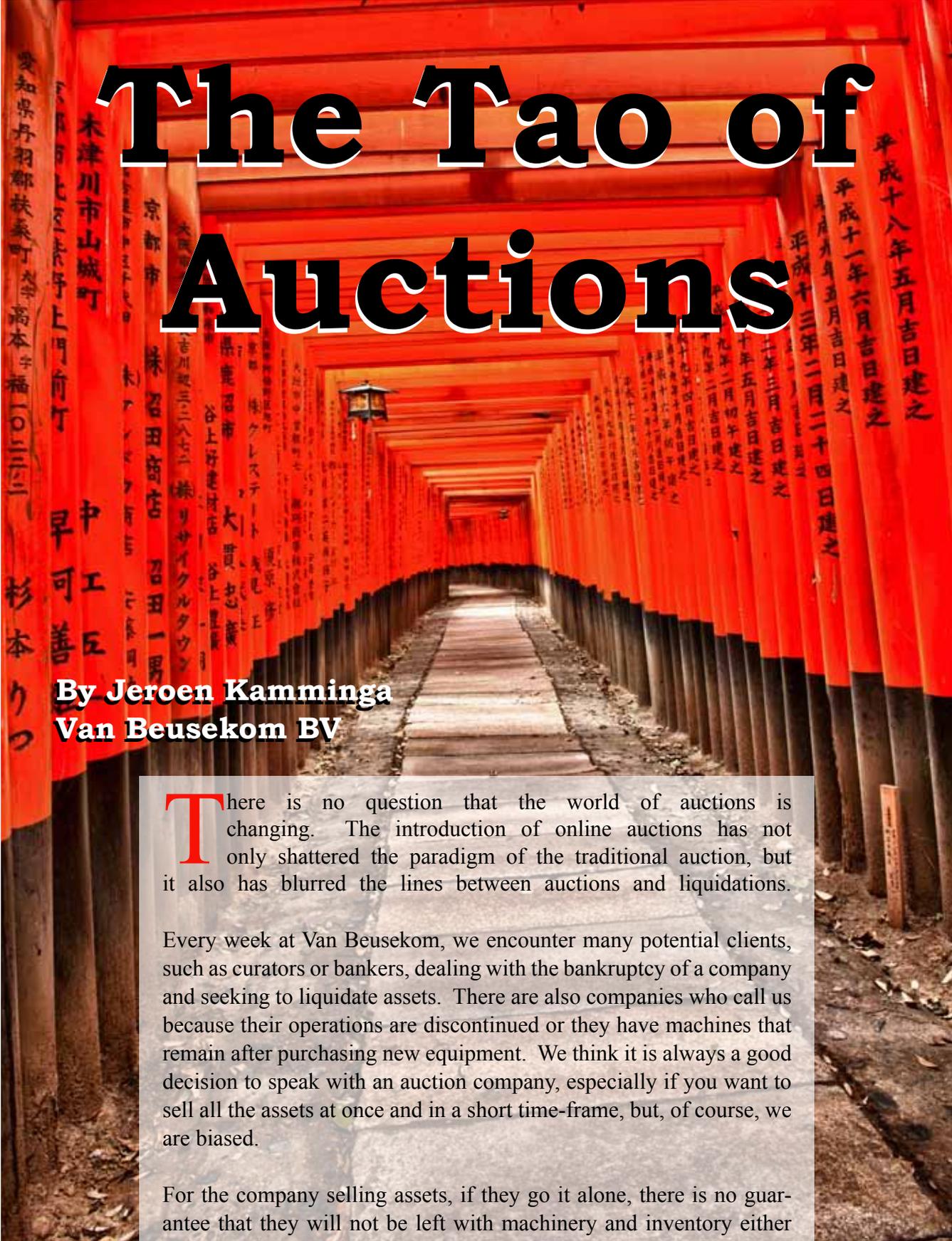
Guasave, Sinaloa, an auction and plant decommissioning for Berry Plastics in Toluca, an auction for Elcoteq in Monterrey, plus the sale of a turn-key operation for Jae Gee Woods in Anauhac, Nuevo Laredo, to name just a few.

Our specialized, knowledgeable and reliable Latin American marketing and operations team has played a major role in all of these success stories. The emerging sales opportunities remain. We have become skilled in conducting business “south of the border.” We have familiarized ourselves with and overcome language, cultural, political, fiscal, legal and bureaucratic barriers along the way.

Mexico was our first step into the Latin American market. Our successes in Mexico led us to take on a successful multimillion dollar real estate and equipment sales project for Thermadyne in Brazil. Also, at this moment we are finalizing the sale of a 500,000 sq. ft. facility in Guatemala for Philip Morris.

Our experience in Mexico and South America has taught us the importance of being patient and flexible. Being able to adapt to new markets and different cultures, is the gateway for our future success in a global economy.





The Tao of Auctions

**By Jeroen Kamminga
Van Beusekom BV**

There is no question that the world of auctions is changing. The introduction of online auctions has not only shattered the paradigm of the traditional auction, but it also has blurred the lines between auctions and liquidations.

Every week at Van Beusekom, we encounter many potential clients, such as curators or bankers, dealing with the bankruptcy of a company and seeking to liquidate assets. There are also companies who call us because their operations are discontinued or they have machines that remain after purchasing new equipment. We think it is always a good decision to speak with an auction company, especially if you want to sell all the assets at once and in a short time-frame, but, of course, we are biased.

For the company selling assets, if they go it alone, there is no guarantee that they will not be left with machinery and inventory either



because of time pressure or because the remaining assets are less desirable. While it is tempting, we always encourage our clients not to sell off pieces

“Marketing the crown jewels becomes critical as that makes the entire asset package attractive.”

in advance as these are usually the most desirable assets or “Crown Jewels,” and chances are that the offers on the remaining assets will go down in their absence. The marketing and the timing of the sale of the crown jewels becomes critical as that makes the entire asset package attractive. Although there are situations where offers come in for sub-sets of assets because the buyer is only interested in a few individual machines, which are good offers, there is always the question of how to deal with the remaining assets.

The potential buyers for industrial assets tend to fall into four groups. End-users are generally will-

ing to pay the highest yield, which can be very interesting, but often prefer to work on the level of a private sale. There are also the dealers/traders, who have an end-user in mind and who are willing to offer a little higher than the liquidation value, because with the speed and lower risk of a “flip” transaction they are satisfied with a smaller margin. Then there are the dealers that keep stables of machin-



ery in their warehouses and eventually seek an end user, these tend to be lower bids, which is logical because the market should make money from its investment and they have to carry the assets until they can find the appropriate end-user. Finally, there are the scrap buyers.

Each of these types of buyers has different needs and constraints. Having the equipment sold using some form of online auction, allows the most flexibility and convenience for the buyers to bid, inspect, and receive information, while always maintaining the buying pressure of competitive bidding and a finite selling period.

At the outset, a company may receive a global offer from a strategic partner or other end-user. Occasionally, they may receive offers for the entire asset list that are not from an end-user or someone having



an end-user already in hand. This type of bid may be equal to or slightly above the liquidation value and sometimes our clients find this the easiest path. We have been through situations, however, where this happens and only a few short weeks later the same assets are offered on the website of another auctioneer for auction.



Ultimately, private treaty sales and orderly liquidations take time and unless it is a niche asset class, we advise our clients to consider selling by auction as an option because we believe it provides the greatest transparency and higher income. Even if there is already sufficient attention in the market and parties have become interested in the assets. With an auction sale these parties simply join the auction process and then compete with additional bidders that emerge from the auctioneers marketing efforts. And with the flexibility afforded by today's auction technologies, there are many ways to integrate bulk bids, global offers, and stocking horses.

In the past, it was our experience that for an auction where we had, for example, one hundred people attend the inspection day, we could usually expect half in attendance to place a bid; these fifty bidders would then determined the success or failure of the auction.

Since the advent of online auctions, we still tend to get the same type of attendance of potential buyers at our inspections, but we also get an additional order of magnitude of people joining over the Internet. If we had one hundred at inspection, we might expect one thousand online. The online bidders rely on the good name of the auctioneer, the online photographic material, and the accuracy of the descriptions. Bidders at home and abroad are drawn not only by our own marketing activities but also by the auction calendar of the Industrial Auctioneers Association.

Because of the “sleeping” buyers who are connected through the broad reach of the Internet, the final result is frequently higher than the typical liquidation value. And that means a better outcome for the

“Each of these types of buyers have different needs and constraints.”

client. With an auction, the client is not only able to sell everything at once and in a timely fashion, but also to extract the highest yield from their assets.



19th Annual IAA Conference

**Four Seasons, Austin, TX
November 21-24, 2013**

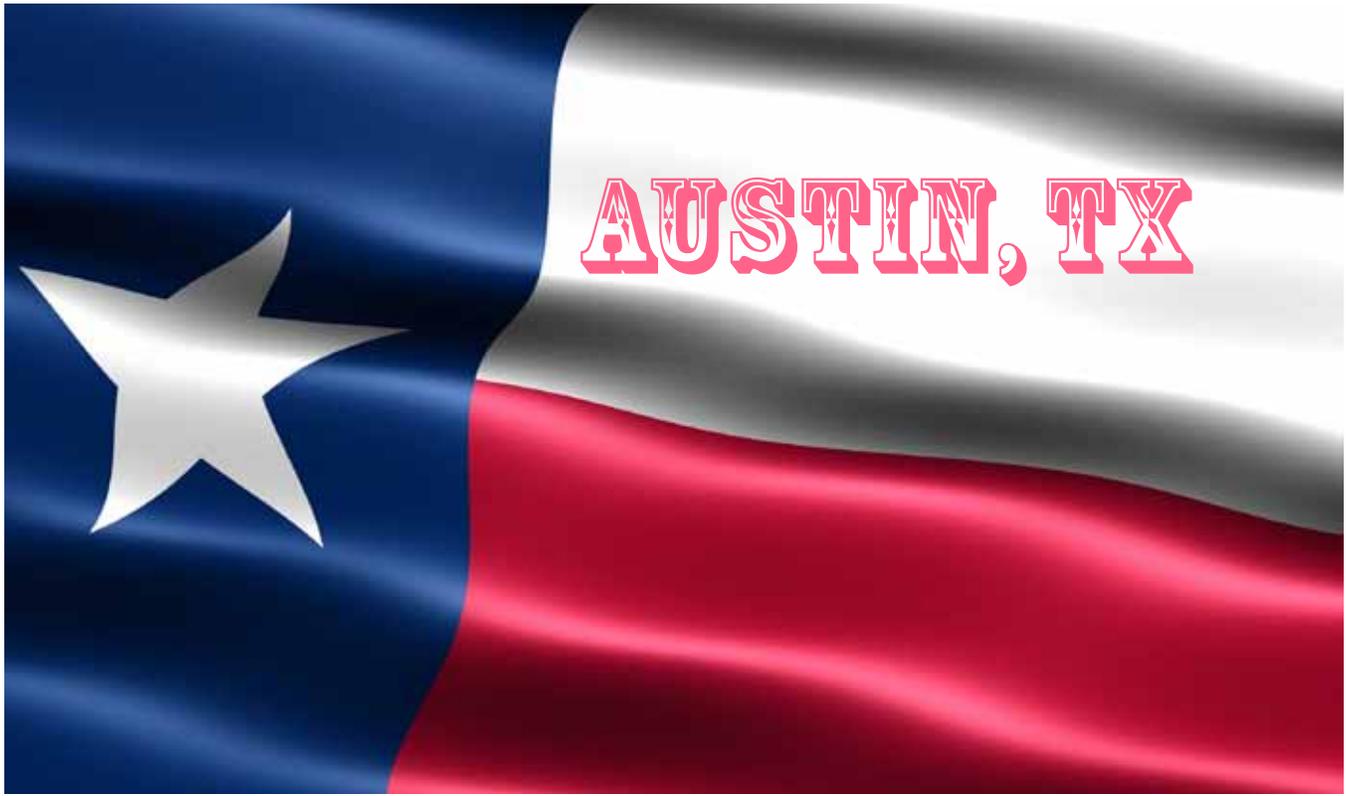


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Courtesy of the Four Seasons Hotel Austin. Photo by Thomas McConnell



Insider's Guide to:



By Lisa Kisber
LKISStyle.com

I have to come clean. I am not from Texas. I am not even from the South. In fact, I am from all the way up in the Great White North. If you are offended that your guide to Austin, Texas is Canadian, you can always try Trip Advisor.

If all you know about Austin is the Longhorns, 6th Street, and that it is not your average Texas town, below you will find some great spots to uncover what makes Austin so special. The first thing you should know is that Austin is a very accessible city. It's easy to walk around downtown and when your feet start to ache, just hop in a pedicab and cruise around in a bicycle-pulled loveseat.

To get to know some of the more iconic places in the Texas state capital, there are tours available of

the **Texas State Capitol building**, which was constructed in 1882 and is a National Historic Landmark, and the **Governor's Mansion**, which was built in 1854 and housed every governor since, and, of course, you can get into the Longhorns spirit, with a tour of the expansive **University of Texas** campus.

If you are looking for some more vigorous activity, Austin has a bounty of parks, lakes, and springs to visit. Some great places for hiking are **Barton Creek Green Belt**, **Turkey Creek Nature Preserve**, and **Wild Basin Wilderness Preserve**. **Zilker Park** and **Lady Bird Lake** offer hiking and biking, as well as canoeing and kayaking, all right in the heart of Austin's downtown.

Special Conference Section



If you are bored with your regular fitness regime, check out **Jump City** in Cedar Park – where you can bounce around on a 50 foot trampoline, swing over a nerf pit, and ride a mechanical bull.

Before you hit the streets, stop in to **Nice Kicks**, 2815B Guadalupe St., for that perfect pair of sneaks. If Jordan's aren't your thing and you need a little more upscale fashion head to **By George**, 524 North Lamar Blvd., for a great selection of top designer names. For women, try **Kick Pleat**, 918 W. 12th St. This trendy shop carries clothing, shoes and accessories from up-and-coming brands like Mother Denim, Humanoid, and Demylee. You can find the perfect dress for an elegant night out on the town at **Estilo**, 234 W. 2nd St. Austin. For styles for men, I mean for real men, head to **Stag**, 1423 South Congress Ave.

Austin is famous for music. Any night of the week you can find

a wide variety of top notch live music.

Check out **the Elephant Room**, 315 Congress Ave., for live jazz in an intimate brick-walled, basement space. **The Victory Grill**, 1104 E. 11th St., has been the



home of blues in Austin since 1945. You can always cruise down Austin's famous 6th Street for a seemingly unending offering of live music, bars and clubs. For a more refined nightlife experience, "the Warehouse District," has some great restaurants, bars, and lounges with a little more hipster-style, like **Lucky Lounge**, 209 W. 5th St., for live music, **Cedar Street**, 208 W. 4th St., for some inventive mixology, and **Speakeasy**, 412 Congress St., for swank lounging and rooftop views. For a break from live music try **Esther's Follies** comedy club, 525 E. 6th St. Like drinking beer and watching movies? You can do both at the **Alamo Draft House** movie theatre.

If you can't get your fix for music at night, **Waterloo Records**, 600A North Lamar Blvd., has a renowned selection of cutting-edge and hard-to-find music. Of course, all this music may inspire you to try your own hand and South Lamar Blvd. has a string of guitar shops – **Heart of Texas Music**, **Musicians**, **South Austin Music**, and **Strait Music** – all within a few miles.

When it comes time to eat, Austin has an array of amazing restaurant choices. For some casual Tex-Mex, **Polvos Mexican** Restaurant 2004 S. 1st St., has everything you could want including margaritas that will leave you on the floor. If you prefer a more authentic Mexican dining experience, then you must visit **Fonda San Miguel**, 2330 W. North Loop



Blvd. For casual eats, **Noble Pig**, 11815 620 N., #4, has the best sandwiches in Austin. **Banger's Sausage House & Beer Garden**, 81 Rainey St., is just what the name suggests featuring Austin's largest tap wall. Looking for culinary inspiration? **Uchiko**, 4200 N. Lamar Blvd, offers a life-changing Japanese-inspired experience and **Parkside**, 301 E. 6th St., provides the perfect mix of food, ambiance, and creativity. Austin also has a vibrant food-truck scene, which you can find lined up on 6th Street, for late-night bites. For the wine lover, the Austin wine country has more than 30 wineries all within a short distance of Austin.

Of course, I can't talk about food in Austin without talking barbeque. **Stubb's Bar-B-Q**, 801 Red River St., is an Austin institution offering beautiful brisket and amazing live music. **Franklin Barbecue**, 900 E. 11th St., has some of the best barbeque in the country and lines worth waiting in. Just get there early, they often run out of meat! But no barbeque pilgrimage is complete without a visit to Lockhart, TX. About a 40 minute drive from Austin, Lockhart is what many consider to be the Barbeque capital of Texas, boasting two of the most famous names in the BBQ world — **Black's Barbecue**, owned and operated by the same family since 1932; and **Kreuz Barbecue**, where they don't serve plates or cutlery or sauce just unbelievable unadorned, succulent barbeque.



Thursday, Nov.21

1:00 PM – 4:00 PM
Meeting-Continuing Education (CE)

4:00 PM – 6:00 PM
Board of Directors Meeting

7:00 PM – 9:00 PM
Networking & Cocktail Reception

Friday, Nov. 22

7:00 AM – 9:00 AM
Breakfast

8:00 AM – 12:00 PM
Continue CE Meeting

Saturday, Nov. 23

7:00 AM – 9:00 AM
Breakfast

8:00 AM – 12:00 PM
**CE/General Meeting/
Sponsor Presentations**

10:00 AM - 11:00 AM
Spouses & Guests Yoga on the Lawn

12:00 PM – 1:00 PM
Lunch

1:00 PM – 4:00 PM
Continue CE Meeting

7:00 PM – 11:30 PM
Dinner

The 19th Annual IAA Conference Schedule

12:00 PM – 1:00 PM
Lunch

1:00 PM – 4:00 PM
Continue CE Meeting

7:00 PM – 11:30 PM
Dinner followed by Nightcaps

Sunday, Nov. 24

At your leisure



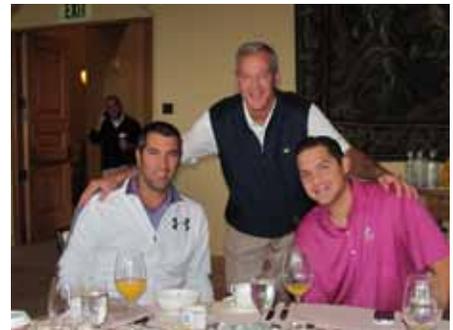
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**18th Annual
IAA
Conference
Revisited**



Newport Beach, CA





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When we are talking to a potential customer about Live Webcast and Timed Online Auction Services it is very common for us to hear, “I have never heard of you guys!” Most firms would be disheartened with that type of reaction, but not Bidpath. Our team has spent the last 13 years quietly building online technology platforms for some of the world’s leading auction companies. You see, we truly pride ourselves in the fact that we have helped to build THEIR brands, not ours!

Bidpath is not a “one-size-fits-all” solution. We have created a fully customizable and integrated solution that has partnerships with leading technology companies to incorporate the best auction tools into our services.

Since 1999 our technology has been used for more than 75,000 auction sales worldwide. Currently, 15,000 auctions per year are being conducted using our platforms in 14 different industries and more than 20 countries, generating tremendous return. The size of the event and volume of sales generated is not limited. We have successfully conducted multiple auctions that have each included over 2,000 participants. The highest price for a single lot sold online was \$8.5MM, and one auction event generated over \$20MM in online sales!

As the auction industry evolves and technology continues to perpetuate, we make it a priority and philosophy to follow that same path. Bidpath is

committed to servicing and growing our private label auction services and to continue to add new products to meet the needs of its customers.

Technology & Marketing

Bidpath’s private label customers often chose not to share their buyer lists and prefer to handle their own marketing, we recognize that for many auction companies the single largest benefit of using a shared platform is the marketing advantages.

To offer a practical alternative to simply recycling buyers between auction companies, Bidpath has created an exclusive strategic alliance with Auction HQ (auctionhq.com) to offer unparalleled marketing services, search engine optimization, social media tools, as well as traditional marketing campaigns custom tailored to increase the exposure of your auctions; and all, in a singularly focused effort to drive more bidders to your sales!

AuctionHQ Portal

Earlier in the year Bidpath, in partnership with AuctionHQ, launched our Auction Portal. This new portal combines the marketing expertise of AuctionHQ with the technology and support of Bidpath. We are now able to offer all industrial auction companies access to our ‘best-of-breed’ Live Webcast and Timed Online Auction Technology in a simple, easy to use environment with a global reach to bring new customers to your auctions.



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Transformation is part of what makes good companies even better; always looking for ways to innovate to improve customer experience and ensure they are offering compelling solutions that are relevant and valuable to customers. At BidSpotter, as we look back on 2013 it's clear it was a year of transformation.

BidSpotter changed ownership, and with that came a renewed energy and desire to make changes to improve systems, processes and customer care.

Our Technology.

With a focus on the needs of our customers, we committed to deliver BidSpotter a state of the art platform. This fall, Bidspotter will transition to a brand new Global Auction Platform (GAP). This new platform puts the auctioneer back in control. Easy to use tools for uploading catalogs and images, bidder validation and a multi-language translator are standard features. GAP will truly open up the world of global bidders with a brand new look.

Our Team.

We have taken a fresh new approach to customer care. We have increased the number of support staff to include multi-language specialists and trained all of them on the new GAP platform. We have appointed an account manager to every auction house, offering a one-to-one relationship when it comes to looking after your business. We have an ongoing program of training and development, all ensuring that we put the needs of the auctioneer in the forefront of all our business activities.

Our Global Network.

BidSpotter is now part of a global organisation. We have a suite of online bidding platforms covering all verticles. BidSpotter.com focusing on industrial, construction and agricultural markets; BidSpotter.co.uk operating in the same verticles with a focus on Europe and the East; the-saleroom.com for Art and Antique auctions; i-bidder.com for consumer goods, cars and electronics. All our brands are internationally recognized; we have over 3 million lots listed per year which are viewed by over 20mm visitors from over 150 countires. All these platforms are now available to IAA auctioneers. Simply call the Bidspotter team to find out how.

Our Future.

We plan to make continual enhancements to our Global Auction Platform in order to integrate even more digital commerce and make our best of both worlds proposition even more compelling.

We believe that no other online platform in the world makes live and internet bidding as effective as we do at BidSpotter. Our ability to reach bidders around the globe is unparalleled and we are working hard to stay out front.

We thank all of our auctioneers; we truly appreciate your support and loyalty. We are pleased we are able to deliver a new global auction platform that will add compelling value to you.



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As 2013 comes to a close, Federal Equipment Company continues to build upon our industry-leading expertise. We have secured long-term relationships to provide services to industry leaders like Pfizer, Inc. and BASF Corporation. We have led the way on several individual deals this year across our industry focus in the pharmaceutical, chemical, and plastics processing industries. Our success is based upon identifying deals where we have the opportunity to be successful.

Once we have identified deals where we can be successful, we drive the performance by providing:

- Resources
- Industry expertise
- Inventory identification
- Valuation
- Purchasing power
- Customer knowledge

Whether the resources are financial, personnel, facilities, or space, Federal Equipment Company has the depth and stability to provide the resources needed to make each deal successful, which includes our extensive expertise derived through our specific industry focus. Our focus allows us to completely identify and log valuable inventory at each deal site. We provide accurate deal evaluations to ensure we arrive at the number that best delivers results to our clients and deal partners. We

support our valuations with our purchasing power and world-wide customer base. We understand our customers and actively work to develop buyers in advance of deals through various marketing channels.

Our customers recognize Federal Equipment Company as an equipment solutions provider as well as an innovative business partner. Our newest facility, focused on pharmaceutical equipment, boasts 150,000 square feet of clean, climate controlled storage space, a product development lab, and a training center that offers courses on pharmaceutical manufacturing and equipment operation for up to 20 customer-attendees every four to six weeks. We have also developed and launched customizable equipment management and marketing platforms and have partnered with industry experts to provide our customers with hardware, software, and consulting services for state of the art manufacturing solutions.

Federal Equipment Company continues to drive results for our deal partners and customers. Look for our latest trade show feature – an F1 driving experience, debuting at industry trade shows in 2014.



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Industrial Real Estate & Equipment

Founded in 1986, Hackman Capital Partners (HCP) is a privately held, asset-based investment firm that focuses on the acquisition of industrial real estate and the purchase of industrial equipment. HCP is one of the few companies in the country that purchases both industrial real estate and equipment, which the firm sells through partnerships with auctioneers and dealers nationwide.

HCP currently owns, through its affiliated entities, more than 270 industrial properties throughout the United States, totaling approximately 25 million square feet and over 20,000 acres of developable land. Having conducted hundreds of equipment acquisitions, dispositions and liquidations on four continents, HCP's experience spans a diverse range of industries.

As a Partner, Hackman Capital Partners Offers:

Deep Real Estate Experience:

We help our partners win deals when equipment and real estate are being sold together.

Bankruptcy Expertise:

Our substantial bankruptcy expertise and in-house legal resources help simplify transactions and reduce the time it takes to close a deal.

Specializing in Complex Transactions:

With more than 27 years of experience in real estate and equipment acquisitions, we are known for our ability to successfully navigate complex transactions and financial restructurings.

Steady Deal Stream from Our Network:

Ability to source off-market and new business opportunities through our extensive network.

Capital Ready to Deploy:

We have the ability to purchase assets outright, a significant advantage when immediate liquidation is necessary.



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Explore Industrial Portal

“POWERFUL DECISION MAKING THROUGH TECHNOLOGY & SHARED INTELLIGENCE”

Welcome to Web 4.0 — now being applied to the industrial marketplace by INDUSTRIAL PORTAL, powered by SAM Auction Software. This highly customized web-based auction solution for industrial auctioneers is built on a battle hardened platform tested and perfected through thousands of successfully completed sales.

For Bidders this introduces a new online auction experience custom-tailored to the industrial marketplace. No more wasted efforts filtering through auction calendars filled with antiques, livestock or estate jewelry! Industrial Portal focuses on a core set of categories such as:

- Aerospace & Defense
- Agriculture, Farming Machinery & Implements
- Audio Visual, Film & Broadcasting
- Auto Dealerships & Service
- Automotive & Parts Mfg.
- Commercial Aviation
- Computers, Servers & Networking
- Construction, Mining, Forestry
- Cosmetic & Chemical
- Food Beverage & Packaging
- Industrial Supply, MRO
- Laboratory, Test & Measurement
- Metalworking & Machine
- Paper, Converting & Pulp
- Petrochemical, Oil & Gas
- Pharmaceutical, Biotech & Medical
- Plastics, Rubber & Film
- Power & Electric
- Transportation, Trucks, Trailers, Vehicles
- Woodworking, Furniture & Lumber

For Auctioneers this introduces an auction platform to streamline every aspect of the auction process, from back office lot and photo management to bidder and collections management. This new concept offers unmatched flexibility and security to the industrial marketplace. The SAM platform offers full redundancy protection as well as load balanced environments, allowing you to scale. Industrial Portal is not just an auction tool, but a platform to streamline every aspect of the auction process. Auctions are promoted and conducted under your brand, run on your site and the portal. This allows you to build, protect, and enhance your brand while preserving the benefit of third-party traffic.

Building the Future of Industrial Auctioneering!

About The SAM Platform:

SAM Auction Software was founded in 1999 in San Francisco, CA. The firm began as a custom software development shop with a focus on transactional technologies. In 2001 SAM was awarded its first auction software contract. Our 2004 highlight was the winning of the “Best of the Web” distinction by Forbes Magazine for the best performing real-time bidding engine on the internet.

Over the course of the next several years SAM continued to build its expertise and client portfolio in the auction industry. In late-2007 they decided to wrap their auction experience into the creation of their own product. By mid-2008 they had launched the SWB Auction Manager (SAM1), the fully integrated auction platform upon which Industrial Portal is built.



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Since 1932, Perry Videx has been a world leader in the purchase, sale and monetization of industrial machinery and equipment for the Chemical, Pharma, Plastics, Paper, Sugar and Power Generation industries. Headquartered in southern New Jersey near Philadelphia, Perry now serves the world through wholly-owned offices in Mexico, England, France, Germany, Poland, Czech, Russia, Ukraine and Romania.

Perry is now in its 4th generation of family ownership as Alexa Epstein (Gregg's daughter and Jerry's granddaughter) is a core member of the company's Plastics and Paper equipment groups.

Perry's core strengths include valuation, sales and marketing, inventory, worldwide logistics and a contact database as broad and deep as any in the industry. Perry also enjoys one of the finest rebuilding shop capabilities in the industry, with full ASME code capacity and full mechanical and electrical competence.

Since the mid 1990s, Perry's Plants Group, based in France and operating globally, has filled an industry need as a provider of complete plants and systems for both relocation and use in place.

Perry Videx has known the process for over 80 years.



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Are You Really Walking the Walk?

Jason Nielsen
Senior Vice President of Operations

You're industry leaders. You represent the largest, most trusted industrial auction companies in the world. But...does your online presence match your offline presence? You're talking the talk, but are you really walking the walk?

When bidders participate in your online auctions are they met with an innovative, stable platform backed by a team of 36 world-class technologists? Does your online partner provide fraud prevention that rivals the programs offered by the nation's leading financial institutions? Do you trust your online partner to provide buyers with a positive experience from account creation through invoicing and beyond?

Proxibid has invested millions to develop the industry's most advanced online bidding platform. We constantly introduce new features and site enhancements – 588 in 2013 alone – to ensure we're on the cutting edge. We listen to our customers to ensure we continue to offer a suite of products and services that meet your needs, while guaranteeing the most stable environment available. Don't put your next sale in jeopardy. Ask your current provider the last time they introduced a new product, feature, site enhancement or maintenance? Work with Proxibid and know you're working with the best technologists in the industry.

You know you need to offer fraud prevention, but do you really know what your provider's fraud prevention plan includes? Several years ago, a simple credit card authorization was sufficient, but fraudsters are more sophisticated now and you need a fraud prevention program to match. Proxibid offers the most progressive fraud prevention program available. We know who is buying in your auctions, and work to ensure only those buyers with the financial wherewithal to complete a transaction can participate in your sales. What's more – if something does go wrong – our team of Risk Management specialists will work with you to recover funds. We challenge you to find another online partner who can, and will, offer this level of service.

As the world's largest, most trusted online Marketplace for buying and selling high-value and specialized assets, Proxibid provides the most comprehensive solutions for our partners. We place the highest value on integrity. You simply will not find a more honest, passionate and dedicated team anywhere in the industry – all focused on ensuring you can compete on a global stage.

If you're ready to walk the walk, walk with Proxibid. Our team is prepared to help you move your business forward in ways you've never imagined.



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www.posnik.com

Abamex Auction Co.
www.abamex.com

Asset Sales, Inc.
www.asset-sales.com

Asset Services Inc.
www.assetservices.ca

Barliant Auctions Inc.
www.barliant.com

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www.biditup.com

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www.thebranfordgroup.com

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C3 - Crescent Commercial Corporation
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Centurion Service Group, LLC
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Cincinnati Industrial Auctioneers, Inc.
www.cia-auction.com

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Corporate Assets, Inc.
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Joseph Finn Co., Inc.
www.josephfinn.com

Koster Industries, Inc.
www.kosterindustries.com

Loeb Winternitz Industrial Auctioneers
www.loebwinternitz.com

Maynards Industries, Inc.
www.maynards.com

Miedema Auctioneering and Appraisals, Inc.
www.1800lastbid.com

Motley's Auction & Realty Group,
Industrial Division
www.motleys.com

Myron Bowling Auctioneers, Inc.
www.myronbowling.com

Perfection Industrial Sales
www.perfectionindustrial.com

Plant and Machinery, Inc.
www.pmi-auction.com

PPL Group, LLC.
www.pplgroupllc.com

Quaker City Auctioneers, Inc.
www.quakercityauction.com

Rabin Worldwide
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www.rosensys.com

Sanderson Weatherall LLP
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Schneider Industries
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Stephen Passy and Associates, Inc.
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Tauber Arons, Inc.
www.tauberaronsinc.com

TCL Asset Group Inc.
www.managingyourassets.com

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