

Auto Appraiser News

OFFICIAL

-I-A-A-A-

NEWSLETTER

Volume 9 Issue 1

First Quarter 2002



If You don't want to get caught in a Legal Trap, Keep Yours Shut! And Read On!



by A. V. Monopoli

As I setup to write this issue of the Auto-Appraiser News I ask myself how can I get them to sit up and pay attention. If only I could figure out how to charge the AA.N with electricity. Then I could zap them until you read it. I am not a negative person and don't believe in scare tactics but the probabilities of Appraisers being in a situation that has the potential to be a liability is real. The following letter was sent by member Fred Drost. He contributes articles that are worth reading. You better heed his warning!

“Tony, You might want to suggest to appraisers that they do not fall into the trap of rendering a value offhand. Often appraisers are asked for their impromptu, off-the-top-of-your-head, or ballpark value. Appraisers should never venture to offer a value or value range without having inspected the vehicle and performed the full appraisal process. If the appraiser tosses out a figure (even if he says it's a wild guess or don't hold me to it), the car owner could say to a prospective buyer that the appraiser said the car was worth \$XXXXXX. The prospective buyer could, in turn, rely on this statement, buy the vehicle, then sue the appraiser for negligence and detrimental reliance if the value is too high. Fred Drost.”

Fred's letter only warns of one instance when an appraiser-- is liable. If you know what's good for you, read on!

This Issue-

- | | |
|----------|--|
| 1 | Appraising Legalities, U and Disclaimers |
| 2 | IAAA Code of Ethics are enclosed |
| 3 | Meeting-Workshop Scottsdale, 2002 |
| 4 | AACA 15th Annual Trade Show |
| 5 | IAAA = autoappraiser.info ? |
-
-

Potential for legal problems come out of writing appraisals, performing pre-purchase inspections and even just referring another appraiser.

Fred's letter warns of one potentially litigious situation, but the others listed above are as bad, so wake up and smell the roses.

The answer to this dilemma is to pay attention, never make a mistake, and never ever forget to leave something out. In other words, you must try to be perfect. Is it realistic to think that we can perform flawlessly? I don't really think so. So what can appraisers do when even a simple written appraisal has the potential to be trouble?

Example: John Doe asks you to write a stated value appraisal for him. John sells the car to Bo Smith. Bo believes your appraisal should have mentioned that the car had rot. You found that the rot was repaired correctly and the value reflected it in the appraisal. Bo sues everyone, including you. Even though you prepared the appraisal for an insurer, who is a professional and understands that the value was for the car in the "condition it is in".

Appraisers document vehicle existence, condition and value. ***Appraisals are short stories in a world that expect books.*** An appraiser's job is to provide enough information to convince an underwriter, judge or a jury of the value of a vehicle. Why let it get that far!

To guaranty a litigation free future, shut your trap. Or you can at least try and protect yourself by using a Disclaimer.

It is understood that I am not offering legal advice or acting as an attorney in writing about Disclaimers. Discuss this information with your attorney. **It is understood that the AA.N, along with its agents who offer any input what so ever, will not assume any responsibility for errors or omissions.**

Yes, my friends, the above mentioned is a disclaimer. In discussing this subject with members, I have learned that appraisers deal with the problem differently.

I don't beat around the bush. I immediately explain my position in regard to errors and omissions. I discuss my procedures and inform potential clients that I can't be responsible for errors or omissions. I inform callers that on my best day, even I can make a mistake or be defrauded. I use a job conformation for pre-purchase inspection situations. It includes our discussed and agreed upon job description, charges, schedule and most importantly our disclaimer. I won't go any further until it is signed and I am paid. I believe the best time to deal with legal responsibility is up front. If this sounds hard-nosed maybe it is. **"I am an honest man with only the best of intentions"**.

As I stated above, other situations call for different procedures. If a caller wants a simple appraisal for insurance purposes, I still tell them my procedure, what they get, and what we charge. I go on to say

"I guaranty that the insurance company will except me as an appraiser, but I cannot guarantee that they will pay the amount that I write. Or I would be considered the Insurance Company."

Disclaimers continued.

I also have the following statement printed on each invoice I write: “**Not Responsible For Errors Or Omissions**” Every single appraisal document or report I write includes a disclaimer.

The IAAA Website includes a Disclaimer. Individuals are exposed to the IAAA Disclaimer once they go past the websites Home Page.

Disclaimer’s are used everywhere. Sporting events, Car Shows, Amusement Parks and even News Programs. Each time CNN interviews an analyst you hear them state that the opinion you are about to hear belongs to the individual making it and not this Show, Network or employee.

Companies often include Disclaimers in their email or faxes like this one: **Any views or opinions are solely those of the Author and do not necessarily represent those of this company. The contents are intended only for the addressee and may contain confidential and/or privileged material. If you are not the intended recipient, please do not read, copy, use or disclose this communication and notify the sender.**

My own fax documents include a disclaimer. They also include a **directive** that is similar to the second part of the sample above.

The examples that follow are disclaimers that include those used by the association and member, William Csogi. **They are provided with the understanding that users do so upon the advice of their own Attorney.**

The IAAA requires members to sign the following agreement before they can use the IAAA Co-1000.

*** It is understood that the -I-A-A-A- requires all users of the CO-1000 to include this mutually agreed upon disclaimer when using their © CO-1000 form to perform an appraisal.**

*** IT IS UNDERSTOOD THAT: The -I-A-A-A- assumes no liability for errors or omissions.**

*** IT IS UNDERSTOOD THAT: The -I-A-A-A- assumes no liability in any foregoing appraisals or inspections made with respect to any action that might be taken on the basis of any of it’s agents /appraisers appraisals.**

The IAAA provides Individuals requesting a referral by email, this Disclaimer.

*** It is understood, by person or persons given a recommendation, that the IAAA along with it’s agents or members assume no liability with respect to any action at this or any future time which may be taken on the basis of any foregoing appraisals or consulting made by any recommended appraiser or expert.**

The IAAA sample Appraisal Document has this Disclaimer on it.

***The foregoing Appraisal is made with the understanding that the Appraiser assumes no liability with respect to any action that may be taken on the basis of this Appraisal.**

Member Bill Csogi sent us the following Disclaimers:

They were both designed in collaboration with a civil attorney and him. #1 is for pre purchase inspections and #2 is for appraisals.

#1 Car critic disclaims any liability for any hidden, wrecked, damaged or tampered components not readily apparent. Be advised most components of a used vehicle exhibit signs of wear prior to failure. However, some components can fail without warning. Car Critic specifically disclaims any liability for any liability for any loss or damage arising within connection of ownership or operation of vehicle. I have thoroughly read and understand the above disclaimer. Maximum liability is limited to the value of an inspection fee.

disclaimers continued

#2 We estimate the value as listed for insurance or other purposes at the current retail value, excluding federal and other local taxes. In making this appraisal we do not agree to purchase or replace articles. Car Critic disclaims any liability for hidden, altered, damaged or tampered components not readily apparent. This is an official document of Car Critic Inc. and is not recognized without raised corporate seal.

Dave Bayowski's clients sign an agreement which contains his disclaimer *each time he appraises a car*. Dave's effort makes him our hero. This was brought to our attention at an IAAA workshop meeting. See what your missing,

Bills #2 Disclaimer includes another valid point. **"This is an official document of Car Critic Inc. and is not recognized without raised corporate seal."**

I personally use a company seal on each and every appraisal document & photo. A seal adds a professional touch. It is also a tamper defense mechanism. Most office suppliers offer Custom Seals. Joe Jesser uses his seal to emboss his name and declaration on each of his appraisals. "Appraised By Joe D Jesser." He also informed us about this practice at an IAAA workshop.

Its never too late to start. Use a Disclaimer when sending a fax, e-mail or any time you write a report, an appraisal or open your trap.

Scottsdale Meeting



Members Kevin Lutz, Scott Featherman, Roy Da Silva and Tony Monopoli attended the Barrett Jackson Auction and the IAAA Meeting. Our second annual Scottsdale Workshop and Meeting fell short on members, but not on the premise. A workshop brings out interesting notions. Topics that included DV (diminished values) and other were discussed. Member, Scott Featherman brought up a very interesting point. If members don't follow the IAAA ethics and standards they could have their Certification thrown out in a court situation. The AA.N will have more on this in upcoming issues.



Tony thanks Bob DeKorne of Haggerty Insurance for the use of their space again.

Scottsdale Continued

The AACA Annual Meeting:

The IAAA participated in the AACA 15th Annual Trade Show on Feb 14th thru the 16th 2002. Over 1000 AACA members made the trip to their 66th annual meeting. The Association joined 37 other exhibitors. The IAAA gets exposure with AACA regional officers and members who attend the various meetings and seminars.

AACA Appraisal Seminar:

I took part in a round table discussion about appraisals. We discussed topics that covered appraisals used for charitable contributions, estate planning and insurance. The panel consisted of a moderator and three panelists.

TECHNOLOGY

auto-appraisers.com
autoappraiser.info.

The IAAA acquired a great Domain Name recently, thanks to a member. Lance Coren called the office and informed the association about the availability of the .info name. I am taking the time to thank Lance on the behalf of the IAAA members for his input.

Lance is an active appraiser and member, who promoted our association and recruited new members. Lance also allows our association to use his © copyright glossary for our website.

Link us if you have a website: after-all we link you in the Find A Member interactive map area.

The Classic Car News

Don't miss the latest issue of the Classic Car New. It covers consumer-oriented articles and information on the January auctions in AZ. It also includes The My Opinion Column, which is just that. Fall Hershey is also rehashed using a collector's point of view. You can find the Classic Car News button on the Navigation Page. So read it!

The IAAA recommends members to utilize the websites forum to post helpful information or to solicit help from members. The forum is part of the Members Only area. In case you forgot how to get there, click the Members Only button, while on the websites navigation page. Then, type Appraiser in the ID box and use Bullfrog as the Password. The member's forum is a member benefit. **So Use It!**

Member News

Douglas Johnson of Stonehedge Appraisals, retired after appraising cars in New Jersey for over 35 years. We wish him the best, and may God Bless him and his family!

Member Lance Coren didn't get to the 2002 Russo Steele Auction or the IAAA Second Annual West Coast Meeting. He had a good excuse though. Lance's daughter carried the Olympic Torch through Lake Tahoe for the 2002 Winter Games. Congratulations Lance!

On The Fashion Front

To order Shirts, Hats and Jackets, call the IAAA office for an order blank.



The official IAAA www.autoappraiser.info hat is the latest fashion treat for members. Order more than one, while supplies last. Hats are \$15.00 ea. including shipping and handling. They are navy blue with silver letters. The IAAA hat promotes our website and suggests to on lookers that the wearer is part of the auto appraisal industry.

Cha

Please be advised that at this juncture it is best

the IAAA Website for correct information.

Remember it is a member's obligation to check their
ges

Welcome New Members



1002230002
Jerry Slonsky
Auto Valuation Authority
340 East Gardenia Drive
Phoenix, AZ 85020
Phone 602 870 8299
EMAIL slonsky@msn.com
WWW, www.evaluatecars.com.



1003180002
Vincent Mathia III
Central Valley Classics Showroom
3672 S. Maple Ave
Fresno, CA 93711
Phone 559 252 7742
EMAIL cvc@classicsgowroom.com
WWW, WWW.classicsgowroom.com

Technically Speaking

The IAAA suggests that you use a separate e-mail address from the one that comes with your Internet provider. Yahoo is my first choice. Their e-mail is free and permanent, allowing you to keep it even if you switch to another provider.

What's Next?

Online Meetings: Watch the banner on the Navigation Page for future online meetings. Gatherings will take place in the Members Only chat room.

A permanent day and time will be posted when it is decided. Please help with our decision. *Post your suggestions on the Members forum.*

Spring East Coast Meeting: Get Ready, Get Set and Lets Go, to the second annual IAAA Carlisle Workshop & Meeting on Saturday April 20, 2002 at 9:00am, in Space L73 adjacent Joe Jessers Classic Keys. Also make sure you stop by and visit us sometime between the 18th 21st.

The Auto Appraiser News

Is Published By the

IAAA

Box 338

Montvale, NJ 07645

Phone 201-391-5194

Fax 978-383-4776

automotiveappraiser@yahoo.com

WWW.Auto-Appraisers.com

Executive Editor

A. V. Monopoli

Associate Editor

Renee Mandile

Editorial Contributions

William Csogi

Fred Drost

Joe Jessor

Dave Bayowski

