

Auto Appraiser News

OFFICIAL NEWSLETTER



Volume 11 Issue 1

First Quarter 2004



IAAA Celebrates its 10th Anniversary in 2004

The IAAA kicked off its 10th Anniversary celebration in Scottsdale, AZ, during the AAAIC event with a fabulous cake donated by Don Christy of the NADA Appraisal guides. The annual West Coast Meeting and training session took place Saturday morning at the Barrett J Auction in the Hagerty Lounge.

The IAAA Announces Lance Coren as the 2004 MVP

Read excerpts from our very first issue of the Auto-Appraiser News.

The IAAA produced the Inaugural All-Auto-Appraisal-Industry-Conference 1/23/04 Tony Monopoli introduced Steve Ferguson as the AAAIC first speaker by saying, "He gave me the inspiration to start the conference back in 1995, and I just took what he started to the next level."

Steve's work ethic brought him up the ranks at the NADA Classic, Collectible & Special Interest Car Appraisal Guide. He started over 20 years ago as a hands-on as a hardworking young man who took pride in tending to the chores of company-owned vehicles. "He literally worked his way through college tending the bosses yacht. That explains his way of operating the NADA Guides Booths as a tight ship."

This Issue-	
1	IAAA names it's MVP
2	All-Industry-Conference
3	The First AA.N
4	Affordable E & O Insurance
5	New Members
6	IAAA Meetings

Inaugural

I remembered our first conversation about the NADA advisory board. Steve asked if the IAAA members would like to join. The idea of IAAA members getting recognition though being associated with a Collector guide that holds the NADA nationally known name bewildered me. I realized then that both of our causes would benefit from this association. I recall being speechless - before answering: "Ok---Yes!" as those that know me can attest, I am seldom speechless. On that day, the IAAA, Steve and I began our longtime friendship.

After his introduction Steve announced plans to add a "street rod price guide" to the list of others that are published by his company. Attendees were both surprised and elated, as they listened and expressed their interest. Steve explained the format that the NADA Street Rod Price Guide would use. They plan to identify aspects of special equipment, parts and features that enhance rods. The task of compiling this information and valuating them would require setting new industry standards.

The Street Rod Guide users will calculate the value of a street rod by compiling values derived from features and components and add it to a base.

Steve informed attendees that the NADA Guides.com intends to continue to support our association and members. The NADA Guides group is working at ways to promote the IAAA and its members on their next-gen-website. Their website generates 3.5 million unique visitors monthly which could certainly benefit our association and members. To be elaborated on later. Read more news on page 5 under

Members.

In addition, Steve discussed how his staff collects and process information taken from auctions, dealer sales and classifieds, which they then adjust. Other Marque experts also contribute information and value prospective.

Steve admitted spending much of his time at the NADA corporate offices analyzing data that is used to arrive at the values seen in the guide.

Mark Perleberg of the www.nadaguides.com was our second speaker of the conference. He informed attendees of the website's upcoming overhaul/ its layout will offer condition-driven variations to accomplish more accurate values. The site will also feature content concerning the automotive industry.

Mark spoke of factors that change markets regionally and how auctions can be manipulated to benefit major players. New cars are often moved to areas that are affected by seasonal and supply-and-demand to net higher vehicle prices. AAAIC attendee questions confirmed Mark's vast knowledge of the national used car arena.

He also informed attendees of an ongoing I.R.S. investigation into unscrupulous companies that hawk donors for charities. He claims that some charities use house-appraisers that inflate values for donors that pay accordingly.

Steve Posner, the President of Putnam Leasing was our third speaker. Steve told puzzled onlookers that his company offered leases considered the dinosaurs of the industry. He explained that his company's open-ended leases give the lessee the option of selling the vehicle prior to its full term allowing speculative collectors a margin-like possibility.

They offer the lessee an opportunity to lease with little or no down payment. They can sell at a profit giving a high return on their small investment. Steven also fielded questions from appraisers and other speakers about leasing collector cars.

John Meldon of J.J. Best Banc was the AAAIC fourth speaker.

INAUGURAL

J.J. Best Banc lends to collectors in the U.S. and abroad. Apparently attendees anticipated a higher debt-to-vehicle value ratio than J.J. Best's \$18K average, which raised their eyebrows. John held the attention of all with his knowledge in the American and European collector car market.

Nigel Matthews was our fifth speaker; He represented the Insurance Corporation of British Columbia. He explained the workings of the Canadian government-run insurance company. Nigel informed attendees that Canada does not honor diminished-value claims. Appraisers based in the U.S. looked amazed as they are experiencing an upswing in DV-related litigation in all segments of the market. Nigel explained that the Canadian government runs efficiently and has few classic and collector car claims.

Erica Eversman, Esq. was our sixth speaker. She is the foremost Lemon Law and Diminished Value attorney in the U.S. Erica brought much to the table concerning DV. Attendees sat up and listened as she informed appraisers that diminished value is recoverable under tort law in 50 states. Most including myself believed that states varied and often only recognized DV in third-party situations. Diminished value and lemon law are issues of interest to appraisers, insurers and those that lend and defend. Erica fielded a barrage of continuing questions during and after the conference. Erica's articles about DV and Lemon Law can be found at: www.vehicleinfo.com/articles.php?archive=1.

Robert Scholnick of Harris Shcolnik Insurance brought the conference attendees to their feet with his news. IAAA perseverance and his due diligence have resulted in an affordable Errors & Omissions (E&O) insurance program. The program will be available to IAAA Members soon. IAAA members will be eligible to secure insurance specifically designed for the professional automotive appraisers. Coverage will include E & O and a general business package for office and content.

Steve Ferguson was named as the first inductee into the AAAIC Hall of Fame. Steve was chosen for his effort uniting the appraisal industry, with the instituting the NADA Advisory Board. The AAAIC also gave thanks to publisher, Don Christy Jr. for allowing him to establish it.

The IAAA announced its 2004 MVP (Most Valuable Person) award at the conference. The MVP is awarded to a deserving member whose efforts benefit the association, its members and the appraisal industry itself.

The IAAA chose Lance Coren for its coveted MVP. His yearlong effort to promote the IAAA along with his contributions as the AAAIC co-chairperson merited the award.

Lance & Nephew Max Killinger are responsible for the AAAIC website. WWW.all-auto-appraisal-industry-conference.com. Congratulations!

The IAAA also kicked off a yearlong celebration of its 10th anniversary by honoring founders Robert Lorkowski, Jeremiah Lee Larson and Tony Monopoli as Members in Attendance. Participation by Members and Founders of the IAAA made this all possible. Congratulations!

Special thanks to Jerry Slonsky, B. J. Gonzales and Apprentice Donald Mills for their contribution to the AAAIC event. The AAAIC is considering locations and times to coincide with other events.

Conference Speakers, Sponsors and Co-Chair members are pictured from left: Nigel Matthews, Erica Eversman, Tony Monopoli, Steve Ferguson, Eric Lawrence, Mark Perleberg and Lance Coren. Not pictured are Steven Posner and John Meldon.



New Members:

The IAAA new-member qualification process includes posting applicant members photo and information in the association's Auto Appraiser News for review by the entire membership. It is your responsibility to review applicant members. A trial period of eighteen months is the final step of the process,

An IAAA member ID number identifies the month, date and year the member joined. The 3rd and 4th digits decode the month, the 5th and 6th digits decode the date and the last digit identifies the year the member joined.

**Lets congratulate the following members.
The IAAA Welcomes!**



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Robert Hill who is also a new member is pictured below



MEMBERS

Regional Workshop Topics

The lesson at the Scottsdale regional workshop meeting was, Inherent Diminished Value (IDV). The IAAA appraiser ethics, the CO-1000 and appraisal document-standards were also reviewed. Attendees included Lance Coren, Roy Da Silva, Jeremiah Lee Larson, Robert Lorkowski, Kevin Lutz, Donald Mills and Tony Monopoli.

The Carlisle Workshop meeting topic was Diminished Value. The Carlisle meeting took Adjacent Jessers Classic Keys on Saturday Morning April 24, 2004 at 10:00 am Attendees included Dave Bayowski, Joe Jesser, James Wood II and Tony Monopoli

The IAAA Needs You!

After much consideration the IAAA will put a board in place. The board will deal with procedure. The IAAA has started by asking our founding members to participate. Others will be needed to establish the board's duties. Call or email the association about participating.

Members Broaden Your Horizons!

The IAAA Membership gives you the opportunity to participate in Joint Ventures. Think! Participate in IAAA online and regional workshops. It will strengthen relationships with each other and the IAAA

Online Training Sessions:

The IAAA is still pleased with attendance at the online meetings. Members attending will benefit in knowledge and by having their training time recorded. Attorneys will make training an issue to justify getting automotive expert witnesses disqualified

Online Meeting Schedule 2004

April 14 2004

Our first online meeting of 2004 took place Wednesday night, April 14th at 8:00 pm EST in the IAAA member chatroom.

Topic: A round table discussion about Diminished Value took place.

The IAAA posted information to be discussed and a meeting topic in an email to members.

The IAAA will hold an ethic meeting 30minutes prior to the start for the benefit of new members who are required to participate and others needing their 5-year ethics recertification.

May 12, 2004

The IAAA will switch to meeting to a Yahoo private chatroom starting with the May 12th meeting. The IAAA will explain how to participate in a forthcoming email.

Our second online meeting of 2004 will take place, Wednesday night, May 12th at 8:00pm EST in the IAAA Yahoo Chatroom.

Topic: Compiling information for a DV report.

The IAAA will have an ethics meeting starting at 7:30pm EST for the benefit of new members who are required to participate and others needing their 5-year ethics recertification.

June 9, 2004

Our third online meeting of 2004 will take place, Wednesday night, June 9th at 8:00pm EST in the IAAA Yahoo Chatroom.

Topic: Forming an opinion for a DV report.

The IAAA will have an ethics meeting starting at 7:30pm EST for the benefit of new members who are required to participate and others needing their 5-year ethics recertification.

To access the Chat and Forum:

Go to the website's navigation page. Click the member's-only button and then type "appraiser" in the user name box. Type the word bullfrog in the password box. You will then be able to access the member's only forum and chatroom.

Online Meeting Protocol:

Sign into the chatroom profile area, using your first and last name, location and brief description of your expertise. Our online training is interactive with references, explanations and examples and led by a speaker or trainer. An outline of the lesson will be available on the forum or sent via email to members.

Why switch to Yahoo?

The IAAA successfully uses a Yahoo Chatroom for its Apprentice training program. Yahoo offers web-cam and voice capabilities. Chatroom training presents challenges that the Yahoo setup eliminates. They offer a cut-and-paste capability not available in our member only area chatroom. Yahoo provides a notice when someone is typing so others will see a forthcoming response, which eliminates losing focus on the current subject at hand.

Thanks TM

MEMBERS IN THE NEWS:

David McKenna mentioned the IAAA in an article in the Sports Car Market publication.

IAAA MVP 2003

Basis for Choosing Lance Coren as the MVP.

Lance is always there to help IAAA members. He provides information, experience and documents at our online, regional training sessions and workshops. He provided a copy of his glossary for us to post in the member-only area of our website. Lance represents our association and provides coverage of west coast collector car events for the AA.N and the Classic Car News.

MVP

Lance helped produce the inaugural AAAIC (All Auto Appraisal Industry Conference) and even enlisted his nephew Max Killinger to construct the WWW.all-auto-appraisal-industry-conference.com website.

He took the initiative to promote the IAAA and AAAIC throughout the US and Europe

The following email was sent to the IAAA from LM
Professional courtesy, help and the IAAA by LM
Larry McKenna Sep 7, 03 - 7:03 PM

I was contacted by a California buyer who wanted me to attend the Labor Day Kruse Auction here in Indiana and bid on a Lamborghini Diablo for him. I know very little about the exotics (I am a classic and muscle car guy) so I sent out an email to IAAA and posted a note on the forum.

Lance Coren contacted me and I had my client call him for detailed info on the Lamborghini. I spoke with Lance several times and even called him as I inspected the car on the day of the auction. He was always courteous, extremely knowledgeable and very giving.

I want to thank him publicly and also to remind everyone that this is one of the advantages of belonging to the IAAA - networking. Although we did not purchase the vehicle, my client was impressed with our efforts. I have no doubt that the client will be contacting Lance and me in the future on other projects.

Let's all work together like this and make us all better.

SEMA UPDATE

IAAA furthered its relationship with SEMA by joining the SRMA (Street Rod Manufacturers Association) during the ARMO round table event at the Point Mountain Resort in Scottsdale AZ Jan 2004. Tony Monopoli took advantage of an opportunity to show our support to SEMA by joining the SRMA council during their event. Member BJ Gonzales represented the IAAA during the ARMO conference.

Automotive News:

The automotive industry has suffered a great loss with the passing of Chip Miller. Please devote a moment of silence and include his family in your prayers.

His interest in automobiles began when, as a child, he saw a magazine in a gutter with a custom car on the cover. He became fascinated with Chevrolet Corvettes after seeing an ad for a new 1957 Corvette. Chip has owned more than 80 Corvettes in his life, as well as many other vehicles. He was very interested in racing, especially vintage Corvettes.

I first met Chip and Bill Miller at The Atlantic City Car show while vending at my B & T automotive display prior to the first Carlisle event. I still recall that snowy NJ day as Chip and Bill introduced themselves and invited me to their new event.

Upon arriving at the Carlisle PA State Fairgrounds, I was welcomed by Chip. He was always thoughtful. He remembered that I had asked him about getting a motel room in a phone conversation. He informed me that a local car enthusiast who was the owner of the Holiday West motel would reopen the closed facility to accommodate Carlisle attendees. As I checked in I found why Chip told me that I would enjoy the view. It had an Antique Car Museum on the premises. It offered me a first time view of a quality automobile museum with genuine antique cars and articles that would still impress you today.

I knew right then that his devotion to our industry and his event would make Carlisle a huge success.

Chip and Partner Bill Miller (not related) started the Carlisle event in 1974. Their business has grown to 12 automotive events this year, including Chip's favorite, Corvettes at Carlisle. Half a million people come to their events yearly. Chip will be remembered for his genuine concern for humanity and his love for cars. His charity work will not go unforgotten either.



Chip Miller with one of his Corvettes.

CLASSIC CAR NEWS:

The next Classic Car News will include the My Opinion Column, The Barrett Jackson Auction in West Palm Beach, covered by TM, Interview with the Author of the Birth of Hot Rodding.

What Is Next:

Corvette Carlisle, August 2004, Fall Hershey October 2004, SEMA and the NACE 2004 events

Please keep these events in mind.

Exerts from The First AA.N

If you think you need a crystal ball to look into the future, you might or could hire Tony Monopoli a NJ based Automotive Consultant, Appraiser and Journalist who certainly called this one. Come on you say, I say here is the proof.

The SEMA Research and Information Center made the following information available in an emailed report in December.

Dealers have got to do something to make used cars more attractive in the wake of zero-percent financing and hefty cash rebates on new cars.

Accessorizing used cars and trucks may be the answer.

Statistics indicate that more and more dealers are accessorizing used vehicles to increase gross margins and to move them off the lot. But accessorizing used vehicles can be a tricky business.

Some OEMs have begun to accessorize off-lease vehicles to increase their wholesale auction price. GM is quietly piloting a program

at various auctions, adding accessories such as ram-air hoods, custom wheels and spoilers to Sunfire's and Cavaliers, while considering adding accessories to S-10 pickups and Grand Ams. GM is seeing some interesting results. Some sources say that putting \$1,000 of accessories on a used car can yield approximately \$2,000 more from a dealer than a similar vehicle without accessories. (Obviously, the market also determines what accessories to put on used vehicles.)

Because the economy is slow, many dealers are not speculating as much on accessorizing their used vehicles, but are concentrating on vehicles as they sell them.

Source: SEMA Research and Information Center

Note: the following article appeared in the Auto Appraiser News, Second Quarter 1995. Lets look into Mr. Monopoli's Crystal Ball.

The article appeared in his column:

LOVE IT OR LEAVE IT!

“The first issue of the IAAA Official Auto Appraisers Newsletters, What's Next Column Brought This story, It seems that the aftermarket Truck Association's (Trucking Times) editor wrote a letter to the IAAA asking us to try and help with their dilemma. They went on to say, short-term leases are affecting sales of aftermarket parts. It seems that after installing these parts they are often looked upon by those writing leases as producing a negative effect to the vehicles value when the leaser turns in the vehicle. This is just one item of many that vehicle leasers are faced with.

Naturally, they (the after-market peoples concerns are to sell parts), a task that is facing a changing environment. The buyers of (the Old Days) were a crowd that would keep them till the cows came home and after that recycled them to new owners that, towed, carried tools or just off road-ed them. Did you ever try to buy a Dually to tow your classic, hot rod or racecar?

The First AA.N

The leasing companies concern is also to sell parts (options) in their case, the OEM coexisted with after market manufacturers (AMM) and both serve a purpose in life. The ideas that we find in the vehicles of the future come from both sources with input from many entrepreneurs as well as individuals acting on behalf of the OEM. To get a better understanding of the leasing industry we contacted several sources including Charles W. Clark an IAAA member. He is an appraiser with Lease Training at the Ford Marketing Institute.

The stats show that 27% of total new vehicles sold, are leased, the future suggests a greater percentage, so if it's hard to sell a brush guard or set of running boards now, it will worsen with that increase.

READ THE LEASE

1. The lease may determine if the leaser can add anything permanent to the vehicle.
2. The lease may also determine a residual value.
3. The lease may also specify a course of action that the leasing company would take, in the event the residual value was changed.

According to our sources the one thing that concerns leasing companies the most would be the quality of the part someone installs and the effect it might have on the residual value. The most important thing the Aftermarket manufactures can do to sustain their existence is to offer quality parts that will be determined by the consumer and exclusive to them. The increase in cars that are leased has an effect on used car sales. The effect is one that will make it harder to resell them due to their age, cost and shear numbers alone. The leasing dealers may find that there is an advantage to selling vehicles having after-market amenities. This advantage could be one that they may be willing to pay extra for. Added options may prove to be more consumer desirable. The cost to dealers may be dollars and reflect hundreds in profits. The

After-Marketers could use the services of Appraisers to do comparatives. The comparatives could show the effect their products have on vehicle values. Companies could build products that would have an added (dimension, one that would add value to a leased vehicle. After-Marketers should also consider using the results that appraisers have determined in helping to educate the consumer. A consumer armed with information would be the after-markets best sales-person, badgering the new vehicle dealer into offering or allowing these products as an ad-on. An informed leaser may be a source of added business, making a negative a positive.

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