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In This Issue

Page One

Letter from the Chairman

Page Two

Retraction

Elements of a Contract

Emergency Preparedness

Page Three

Is Your Computer Safe?

Page Four

Continuing-Ed Seminar Info

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At Large Member

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David Cole, Vice Chairman

East Tennessee Member

Term: 09/01/09 – 08/31/2012

Marvin Alexander, Board Member

West Tennessee Member

Term: 11/30/2004 – 08/31/2010

Bobby Colson, Board Member

Middle Tennessee Member

Term: 8/31/2004 – 08/31/2010

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Term: 04/25/2007 – 08/31/2010

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Mission Statement

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

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NewsLine

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From the Chairman

by Kenneth Dreaden, Chairperson

Once again I have been honored by my peers and re-elected as chair of the Tennessee Auctioneer Commission. I want to thank Bobby Colson, our outgoing chairman for a job well done. I have some big shoes to fill following behind Commissioner Colson's leadership. I am also looking forward to an exciting year on the Commission.

Three years ago, I served as Chairman and since that time the Department of Commerce and Insurance and the Auctioneer Commission has gone through a lot of changes. Most of the divisions under Commerce and Insurance are structured differently, and the Auctioneer Commission is one of them. We are in a different building, with different staff and a different way of handling things. Our industry is different, too! Our economy was stronger three years ago than it is now; and while many of us knew we were facing a downturn, most of us could not have predicted the depth of the recession or the impact it would have on our industry. We had more licensees and more auctions than we have today. Many more auctioneers are using technology in their businesses than ever before, and even the technologies we use today are completely different than three years ago!

Unfortunately, some things haven't changed so much. We still have complaints that could have been avoided if the auctioneer had written a good contract! Three years ago I wrote a Letter from the Chairman for this newsletter encouraging everyone to review their contracts with their sellers before they sign them.

The first thing I want to address as Chairman, this time around, is emphasizing the importance of a solid and clear contract. Most of the problems we have in the auction industry today go right back to the contract. Please review your contracts and make sure they say what you mean for them to say. Have your attorney review your contracts. And always – always – review your contract with your seller before they sign. Make sure everyone knows and understands the terms and conditions of the contract.

The second thing I want to address this year is the use of the Internet in the auction business. The Continuing Education seminars this year will focus on all types of technology used in the auction business from e-mails to websites to social networking sites. Please plan to attend one of these important seminars. We want to make sure that our auctioneers set the bar for the industry in the proper and legal use of the Internet, whether you are sending e-mail announcements of your auctions to your e-mail list, or if you are registering bidders and collecting sensitive bidder information online, or if you are posting auction preview photos on Facebook. There are some legal housekeeping issues we will be covering in our newsletters and our seminars in the months to come.

Once again, I am honored to serve as Chair of the Tennessee Auctioneer Commission. I encourage our licensees to attend our meetings and attend our seminars. In these uncertain times, we can all work together to find better ways to serve our auction consumers – sellers and buyers – and help to keep our industry strong.

**NEXT COMMISSION MEETING: OCT. 4, 2010 – 9:00 A.M.
700 JAMES ROBERTSON PKWY – 2ND FLOOR CONF. RM.**

Notice of Retraction: The April 2009 Disciplinary Action Report posted on the Commission website and reported in the NewsLine (June 2010) contained an error. It was reported that Royston Auction Co. paid a \$500 civil penalty for un-licensed activity. The Royston Auction Company has been a licensed Tennessee auction firm since February 2007 and as of 6/30/10 there have been no complaints filed against this auction firm with the Tennessee Auctioneer Commission. We regret this error and offer our apologies to Mr. Travis Royston, owner and Principal Auctioneer. *Donna Hancock, Executive Director, Tennessee Auctioneer Commission*

THE ELEMENTS OF A CONTRACT

Competent Parties	Legal Subject Matter	Mutual Agreement	Consideration
<p>The parties to a contract must be legally competent.</p>	<p>You must identify what you are selling and the seller must be legally able to contract the sale.</p>	<p>There must be a meeting of the minds without fraud, undue influence, duress, or misrepresentation.</p>	<p>Consideration is something of value given in exchange for a promise. It doesn't have to be money. It does have to be adequate, equitable and fair.</p>

A well-written contract will be concise, specific, consistent and clear in the intent of the parties. Tennessee auction law [62-19-112 (b) 8 and 9] clearly states:

(b) The commission may suspend, revoke or refuse to renew any license issued under this chapter where the license has been obtained by false or fraudulent representations or for any of the following causes:

- (8) Failing to furnish voluntarily to all interested parties at the time of execution, copies of all written instruments prepared by the auctioneer or apprentice auctioneer;*
- (9) Failing prior to the sale at public auction to enter into a written contract with the owner or consignee of any property to be sold, containing the terms and conditions upon which the licensee receives the property for sale;*

It is crucial for all auctioneers and auction galleries to enter into a contract with the seller. This contract is sometimes called a "contract of employment." If a complaint comes before the Tennessee Auctioneer Commission, the investigators and the board will want to review the contract. Always seek qualified legal counsel when drafting a contract to make sure your contract says what it needs to say and what you mean to say.

Emergency Preparedness

The sometimes erratic weather of the past year with snow, tornadoes and floods has caused most all of us to evaluate how well we are prepared for an emergency. The American Red Cross encourages us to create an emergency kit for the office and at home, and to develop a plan of what to do in the event of an emergency or disaster. This plan will cover each person's responsibilities; a meeting location both locally and outside the area in case you are required to evacuate; and an emergency contact person(s) also located out of the area whom everyone can contact with information and updates in the event you are sep-

arated. For the emergency kit, the American Red Cross recommends the following items:

- Water – 1 gal/day per person for 3 days – 2 weeks
- Food – non-perishable, easy to prepare for 3 days to 2 weeks
- Flashlight and extra batteries
- A battery-powered or hand-crank radio (NOAA Weather Radio if possible)
- Any medications – at least a 7-day supply
- Multi-purpose tool
- Sanitation and personal hygiene items

Emergency Preparedness (continued from page 2)

In addition to these items, they also suggest each family keep copies of all personal documents (proof of identity and address, deeds/lease to home, passports, birth certificates, insurance policies) along with extra cash in a water-proof container you can take with you in the event of an emergency evacuation.

You will also want to consider:

- Extra cell phones with chargers
- An emergency blanket
- Special medical supplies
- Extra car keys
- Clothing, hat, shoes, gloves
- Matches/lighter
- Scissors

- Duct tape
- Rain gear
- And any baby or pet supplies you deem appropriate.

Be sure to review your emergency kit with family members before an emergency to make sure you have everything you might need to survive an evacuation or few days without electric or water services.

Special thanks given to the American Red Cross and Melissa Rector, Jefferson Co. Extension Agent for compiling this list.

Upcoming Continuing Education Seminars

Monday, February 28, 2011 – West Tennessee
Tuesday, June 21, 2011 – Middle Tennessee

Is Your Computer Safe from an Attack?

Everyone who has a computer connected to the internet is vulnerable to an attack on their system from a virus or malware. For those of who own Macs, it is safe to say, your computers are less vulnerable to an attack than those who own PCs (Windows-based computers). The reason is very simple: more people own PCs; so, hackers who write viral and malicious software target those areas where they have the most to gain. Still, even Mac users are not exempt from attack from those nasty and annoying threats that are currently targeting social networking sites with such names as “koobface” and “kneber botnet.”

While there is no product or service that can guarantee our computer security, there are a number of steps every computer owner can take to prevent the accidental spread of malware, trojans or a virus in the event your machine is attacked. Most important, be sure to install and keep virus and malware protection current. There are still a large number of Internet users who are running without virus protection, or are relying on out-of-date software. New viruses are generated almost daily, so it is vital to keep your software current. Still, even good virus protection programs do not stop all the malware attacks that are out there, so be sure to research and install a good anti-malware program as well. If you aren't certain how to select a good antivirus or anti-malware software program, check with your local computer repair technicians and they can tell you about different programs available on the market. Some programs offer free downloads while others are for sale. Always check out a program's effectiveness and customer satisfaction before installing it onto your computer.

Another step is to only visit reliable websites. However, even a reputable site can be an unknowing victim of hackers. In 2009-2010, the kneber botnet infected over 74,000 sites worldwide, including government agencies and financial institutions.

Perhaps one of the most critical steps you can take to protect your computer is to use effective passwords and change them regularly. This is not always as easy as it sounds. Long and complex passwords that utilize a series of letters and numbers are always the most secure, but they are also the hardest to develop and the easiest to forget. There are a number of suggestions for how to develop an effective password available on the internet. Keep in mind; cyber criminals have sophisticated tools available to them to decipher passwords, so you will want to avoid the following password traps:

- Avoid any words or names that can be connected to you (your place of birth, your street, your wife's maiden name, your pet's name, your profession).
- Avoid number or letter sequences (1234, 2222, abcd, zyx).
- Avoid common misspellings, abbreviations, words spelled backwards, and so forth.
- Avoid any words found in the dictionary – regardless of the language.
- Avoid using the same password for different applications. For example: you wouldn't want to use your facebook password as your banking password.

You should record your password in a safe place – someplace not easily accessible from your computer, so that you can look it up if you forget, but not so easy to find that anyone wanting to access your password(s) would have access to them. Also consider changing your password(s) every 30-60 days to maintain your security.



Continuing Education Information

The Tennessee Auctioneer Commission will feature Darron Meares as the speaker for the 2010-2011 Continuing Education Seminars. Darron is the Chief Operating Officer of Meares Auction Group where he manages the day-to-day operations of a family owned auction business. He also owns Bowtie Benefit Auctions and is an instructor of auction law, online advertising, online auctions and social networking for the Southeastern School of Auctioneering in South Carolina. Meares holds a master's of business administration from Southern Wesleyan University, and is a frequent speaker and presenter for the National Auctioneers Association and various state professional associations on the use of technology in the auction industry. Meares will be presenting his seminar ***"Auction Marketing in the 21st Century"*** in September 2010, February 2011 and June 2011.

In addition to this four-hour program, we will be presenting two hours of ***"Protecting Personal Information: A Guide to Business."*** This program is built around the information provided by the Federal Trade Commission to assist businesses in protecting information collected on employees, contract workers and clients. Rhessa Orr has modified this program to address issues specific to the auction industry, to assist auctioneers in developing protocols for protecting sensitive personal information collected from sellers and bidders at the auction.

Both these programs will address issues in auctioneering for both auctioneers and auction business owners. Please plan to attend one of these free seminars this year to learn valuable tools.

The East Tennessee Seminar is September 28, 2010, in Greeneville, Tenn. We will be in West Tennessee (location to be announced) on February 28, 2011, and we will be at the Riverview Inn in Clarksville, Tenn. on June 21, 2011. We hope to see you all there.

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