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Appraisers' Forum Special Edition

Message From The President

— Randy Koster, CEA, AMEA President

Are You Ready For A Leadership Role In AMEA?



As President of the Association of Machinery and Equipment Appraisers (AMEA) I would like to invite everyone to the 2018 Appraisers' Forum in Minneapolis Minnesota.

The Forum will be held March 8-11, 2018, at Productivity Inc. and Machinesused. We will also be hosting the 7-Hour USPAP at Productivity Inc. and the 15-hour USPAP at the DoubleTree Hotel in Bloomington.

By attending the Appraisers' Forum, attendees can earn up to 9 continuing education credits. Add on either the 7 or 15-hour USPAP and MDNA Chapter Event, that gives a potential of up to 20 continuing education credits when taking the 15-hour USPAP. You can complete a very large portion of your continuing education requirement by just attending this multi-day event.

On Thursday, all attendees are invited to the Milwaukee/Minneapolis MDNA Chapter meeting at Smaaash, that includes dinner and games.

On Friday, there will be a great group of speakers in the morning on topics ranging from Robotics and Automation, 5-Axis Machining, and Swiss CNC. In the afternoon we will finish the day with a reception and then time for networking with other attendees.

This is the first time AMEA has offered the 15-hour USPAP course in three years. If you have been thinking about becoming a Certified Equipment Appraiser this is the perfect time to do so. It is unknown when this course will be offered again, so you don't want to miss out on this chance.

For those in need of the 7-hour USPAP refresher course, it will be offered on Thursday March 8th at 10:00 AM at Productivity Inc.

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AMEA APPRAISER

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AMEA Appraiser welcomes contributions from members and others in the machinery and equipment appraisal community.

For details contact: Jason Baker,
Editor, AMEA Appraiser at
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Milwaukee/Minneapolis Chapter Meeting

The Milwaukee/Minneapolis Chapter of the Machinery Dealers National Association would like to welcome you to Minneapolis for this year's AMEA Appraisers' Forum. We are extending an invitation to all those attending this year's AMEA Appraisers' Forum in Minneapolis to attend the MDNA Minneapolis Chapter Meeting. As in the past, we have planned a fun evening at Smaash at Mall of America. Attendees at the Forum can board a bus that will take you and your fellow attendees to the facility where there will be dinner, a cash bar and games. This is a great evening of networking with fellow appraisers and machinery dealers.



7-hour USPAP Course

AMEA will be hosting a 7-hour USPAP (Uniform Standards of Professional Appraisal Practice) Course preceding the Appraisers' Forum in Minneapolis.

7-hour USPAP Course:

Thursday, March 8th, 10:00 am-5:00 pm

Location: Productivity Inc. (15150 25th Avenue North, Plymouth, MN 55447).

Note: It is a requirement for all certified appraisers to take the USPAP refresher course every 3 years in order to remain up-to-date with their credentials.

Prerequisite: You must have already taken the 15-hour USPAP course prior to taking this course.

15-hour USPAP Course

AMEA will be hosting a 15-hour USPAP (Uniform Standards of Professional Appraisal Practice) Course following the Appraisers' Forum.

This is your chance to take the 15-hour course and become a Certified Equipment Appraiser with the AMEA. This is the first time in three years the AMEA has offered this course.

15-hour USPAP Course:

Saturday, March 10th, 8:00 am-5:30 pm

Sunday, March 11th, 8:00 am - 2:30pm

Location: DoubleTree in Bloomington MN (7800 Normandale Boulevard, Minneapolis, Minnesota, 55439)

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Tools of the Trade

Where am I Going Next? Two Days of Chasing a Deal!

■ **Terrance Jacobs**

Reprinted with the permission of the IAA from 2007



It's 6:45 am and you are halfway through the first leg of a 6-hour journey ending in some small town you have never heard of, looking at a deal you have been chasing for 3 years. Sound familiar? Then you must be an auctioneer or a dealer.

In my case, it was Chandler, Quebec, Canada (a 2 hour drive west of Gaspé, Quebec if that helps!) On my way, I was meeting up with my partners on this deal, Jerry Epstein and David Goodman of PerryVidex, along with Stan Smith of GoIndustry (Now Liquidity Services). All are well known in their respective industries and part of the 1k United Airlines Club. We were

making our way to inspect a large paper mill that had been closed for 6 years. It had been funded by the province of Quebec and a public company, which jointly put \$400 million in to try and revamp an old plant with modern technology. We were looking to buy it, guarantee it, or work on a commission basis, whatever gave us the best advantage over all our competitors (you guys!)

Partnerships are an interesting concept that our company embraces as a way to stay alive in this industry. Partnerships with another company can begun at the start of a deal, or evolve during the life of a project.

When you find out about a potential deal, you may decide to call in a partner to work with you, or you may want to work it alone, at least until you can get more information about the deal and discover the complexity of it. You don't always call in a partner because of lack of expertise, it could be for financial reasons, lack of time to commit fully, strategic purposes or geographical barriers. On occasion, you may be walking through a deal and bump into a competitor and decide to work together because it feels right. The three of us got together because as a group, we covered all the bases outlined above.

Traveling is like our normal commute to work! We do it every day. If I am not traveling weekly, I feel as though something must be wrong! The deals are on the road, not in my office.

We arrived at the plant at 3:00 pm and met the general manager who took us on a 3-hour nickel tour of the facility and showed us the major assets from the beginning of the process, until the finished product. The four of us were in awe of the sheer size of the deal, as I'm sure were many of you. The intriguing part of this deal was that the major paper facility was brand new, while the difficult thing about this deal was that only 40% of the main line was assembled; the other 60% was still in crates throughout the site. Oh, and by the way, nobody really could answer if the manufacturer had delivered all the parts, so we did not know if the brand new line was complete. Something we would be discussing in great detail at a later date, to be sure.

Upon completion of our walkthrough, we sat down and discussed how we were going to price out the job, who felt most comfortable pricing the paper and mill related assets, and who would handle the general plant and machinery equipment. The line was drawn, and as you can imagine, Stan and I would do all general plant and machinery, while Jerry and David would handle paper and mill-related assets. We left the plant and checked into the motel across the street at around 7:00 pm and then went out for dinner at a nearby restaurant recommended by the plant manager. At dinner we "unwound". It was a long day of traveling.... For them, over 10 hours! We joked around, talked about deals we had done together, deals we lost to each other, but never about deals we were working on!

Continued on Page 4

It's a small industry, and although our trust and loyalty is gold with each other, we never know what's around the corner, or who we will be up against on the next deal. That's what makes it all the more interesting. You're partners on one deal today, and bidding against each other tomorrow. It's amazing that we can keep everything together, yet separate! Each of us respects and trusts one another, we have worked on many deals together and made a lot of money together... and all based on handshakes!

After dinner we grabbed a nightcap at the hotel and called it a night. At 6:45 am we met for a hearty breakfast, as we only had three hours in the plant until we had to leave the site to drive two hours back to the airport to catch the 3 pm flight to Montreal.

Jerry and David decided to split up to value their equipment. Stan and I worked side-by-side, individually pricing out our part and comparing notes as we went.

"What do you think of this mill, I give it \$2,000.00", asked Stan.

"Where I'm from, this will bring anywhere between \$3,000.00 and \$4,000.00", I reply.

Stan goes on to point out that we are in the middle of nowhere and that the mill has not been turned on in 6 years.

I quickly reply, "Ok. Lets call it \$3,000.00!"

Done!

This went on throughout our walk. It was enjoyable; we like to hear what the other thinks and why. We pick up things from each other, which helps us to be better at what we do.

During our return drive from the plant to the airport, we discussed the deal and agreed on what the plant was worth, what it would bring, how much we should pay, how much it would cost to market, advertise and set up, and the timeframe needed to remove all the assets from this 12-building, 650,000 sq. ft. facility. We picked each other's brains and asked questions about participation and the role each of the partners would play in the project. Somehow, we figured all of this out, talking about the plant in detail as though we had been working there for 30 years.

Stan says to Jerry, "You know that crane behind the TMP on the second floor next to the Metso calendar?"

"Yah why?", Jerry asked.

"Did you catch the tonnage and year?"

"Sure, it was...."

We departed by shaking hands and thanked each other for the opportunity. A week later, after we all got back into the office from looking at other deals, we discussed the deal again and put together our proposal. Then we waited.

To save an hour in flying time and an additional "leg", I departed in Quebec City and caught a direct flight to Toronto. On this segment home, I got back into what I would be doing back in the office over the next few days, the other deals that I was working on, the auctions that were coming up, my family, and...Where am I going next?

Forum Preview

Automation

Presenter: Dave Brockopp,
Productivity Inc.

This year's AMEA Appraisers' Forum will provide an opportunity for hands-on training on a variety of machines, from an expert in each of these fields. One of the breakout sessions at Productivity will be on Automation. This will be presented by Dave Brockopp, the Automation Manager at Productivity, Inc. He is an experienced Applications Engineer for CNC Machine Tools and has been a Fanuc Robot System Integrator at Productivity for the last 15 years.

Pre-Engineered CNC Machine Tending Robotic Systems



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(others by consultation)

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- Re-grip/flip station
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- Pneumatic vertical sliding shutter
- Fast servo (2) door shutter
- High-speed servo door actuator
- Extra quick-change dual gripper assembly
- Additional machine integration
- Vise mount casting for rotary table (8")
- Schunk KSP 160 Plus vise

2018 AMEA Important Dates

March

March 8
7-hour USPAP Course
Productivity Inc.
Minneapolis, MN

March 9
Appraiser's Forum
Productivity Inc. and Ma-
chinesused.com
Minneapolis, MN

March 10 -11
15-hour USPAP Course
DoubleTree Hotel In
Bloomington MN

April

April 25
AMEA Committee & Board
Meeting
New York, NY

April 26-29
MDNA Annual Convention
New York, NY

For more event infor- mation:

Call AMEA: **703-836-7900**
or visit www.amea.org

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AMEA New Members

AMEA welcomed twelve new members at the 2018 January board meeting, Congratulations and welcome to the AMEA.

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2018 Forum Schedule

Thursday, March 8th

- 9:30 am Bus departs hotel for 7-hour USPAP at Productivity
- 10:00 am-5:30 pm 7-hour USPAP at Productivity Inc. (15150 25th Avenue North, Plymouth, MN 55447).
- 5:30 pm Bus departs Productivity Inc. /Return to the hotel
- 6:30 pm Bus departs for Milwaukee/Minneapolis Chapter Meeting at Smaaash (402 E Broadway, Bloomington, MN 55425)
- 10:00 pm Bus departs Smaaash/Return to the hotel

Friday, March 9th

- 8:00 am Bus departs for morning sessions at Productivity Inc. (15150 25th Avenue North, Plymouth, MN 55447).
- 8:30 am-9:00 am Breakfast and Networking
- 9:00 am Welcome to Forum – Randy Koster, AMEA President and John Lawton AMEA 2nd Vice President
- 9:15 am – 12:15 pm Breakout Session Topics of Robotics and Automation, 5-Axis Machining, and Swiss CNC
- 9:15 am Breakout Session #1
- 10:15 am Breakout Session #2
- 11:15 am Breakout Session #3
- 12:15 pm Lunch
- 1:15 pm Afternoon Introduction - John Lawton AMEA 2nd Vice President
- 1:30 pm Machinery Appraising Workshop Sessions
- 3:00 pm Cocktail Reception and Networking
- 4:00 pm Bus departs Machinesused.com/Return to the hotel

Saturday March 10th

- 8:00 am – 5:30 pm 15 Hour USPAP at DoubleTree Hotel in the Atrium 1 Room

Sunday, March 11th

- 8:00 am – 2:30 pm 15 Hour USPAP at DoubleTree Hotel in the Atrium 1 Room

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