

**Submitted by Steven J. Serenska, Bristol, RI**

*"I shared the results of the Mecum auction with a few friends who are car guys, although not Corvair guys. One of them is a former judge from Texas who is now a professor at a law school here in my town in Rhode Island. I thought his response was pretty well written and educational."*

*[In the judge's words:]*

Having been to Barret Jackson many times, I can say that many of the cars do sell for incredibly high prices; sometimes, it's the result of a buyer and seller "negotiating" an auction environment. At other times, with booze and big egos the prices rise. I would never call the "auction price" a FMV. The prices are manufactured by the environment and the auction house's manipulations. One could argue, however, those are still FMV because someone bought and someone sold.

One example that I was personally involved in had to do with my 1929 Stutz LeBaron Speedster. I sat in front of the auction stand. The tent was packed. It was morning, but I know the booze was flowing. My "reserve" price was \$165,000. Out of that, I'd pay the auction house 8% and net the rest sans the expenses of having taken the car to Scottsdale from San Antonio. It was supposed to be a good "environment" for the classics.

The car sat on a turntable, with lights beaming off the concours-winning black paint with red pinstripe. The massive polished aluminum wheels shined like the sun.

The bidding was fast and furious. "I have 130...and now 135 over there....now 142...now 145...there's a new bidder with 150.....the auctioneer was pointing left, then right, right again, then left. Other auction staff, in the tent, would yell, "yes" and the auction price would increase by 5,000.

The price stalled at around 150,000. A staffer came over to me and asked what I wanted to do. I said, "well, close out the auction and say the reserve was not met." He said, "do you want us to run it up to your reserve?" That, of course, would leave the unwitting audience thinking someone had bid the reserve and I chose not to sell at that price. (Remember, no one, but the auctioneer and seller know the reserve price).

As the staffer, with whom I had just spoken, approached the head auctioneer on the microphone, someone in the audience yelled "155." OMG, I thought, the bidding was starting again. The auctioneer was reenergized and began calling out bids from left and right in nearly staccato fashion. It quickly ran past my reserve and the car was declared sold.

After the auction session, I was in the auction office and was told that there were no bids, at all.....except one lonely bidder who started at 155 with that yell-out. He was the only bidder in the entire tent. And, all the auctioneer call-outs were skills.

Can we, then, call the selling price FMV? Arguably, yes. But, would you, as a buyer, want to use that as criteria to determine the value of a car you're buying? Arguably, no.

*[end of judge's words]*

Steven