

BUYING YOUR DREAM CAR:

Insider Tips from Premier Financial Services



THINGS YOU'LL NEED TO KNOW TO BUY OR SELL AT CAR AUCTIONS

The range and caliber of car auctions is extremely diverse. Throughout the year, there are local public auctions, government auctions, private auctions for dealers, as well as an increasing number of online auctions, including eBay Motors and bringatrailer.com. These auctions can be a great resource if you're searching for a fairly priced family vehicle, a fixer-upper, or perhaps even a hidden gem offered by a seller looking for quick cash.

But if you're an auto enthusiast seeking to buy or sell a unique, rare or classic dream car, those are not the types of auctions where you'll want to invest much time. The well known, high-profile, live car auctions that take place throughout the year - at Scottsdale, Arizona; Amelia Island, Florida; Pebble Beach, California; Palm Beach, Florida; Las Vegas, Nevada and Kissimmee, Florida - are for serious enthusiasts, and each of those events include hundreds or even thousands of rare and classic cars.

Live Auctions Are Fun Lifestyle Events

Sponsored by respected auction houses such as Gooding & Company, Barrett-Jackson, Mecum, RM Sothebys and Bonhams, these high-end, ticketed events are opportunities to see, and perhaps bid on some fantastic vehicles. They also are occasions to rub shoulders with (and learn from) knowledgeable collectors and fellow enthusiasts from around the world. These auctions – which typically include a host of social festivities and educational opportunities – are lifestyle events to be enjoyed, regardless of whether you plan to sell or bid on any vehicles on the block.

Live Auction Quick Tips

Improve your chances of success when buying or selling your dream car at an auction:

- Do your homework on any car you're bidding on.
- Pre-register as a bidder in advance of the auction.
- Obtain pre-approval for financing or leasing.
- Set a maximum bidding price and stick to it.
- If selling, give the auction house enough time to market your car.
- Detail your car, buy a new battery and put on authentic tires.



Premier Financial Services

Vintage and Exotic Motorcar Leasing since 1997

Prepare for a Great Auction Experience

Most auction participants at the top auctions are sophisticated buyers and sellers. But there's always a crop of auction newcomers, many of whom are reluctant to participate, lacking a clear understanding of the protocol and unwritten etiquette involved in serious car auctions.

According to Premier's Southeast Sales Manager, Chris Warren, who has attended top auctions for many years, "There are only a few auction-related "do's and don'ts" that buyers need to know. Notably, you don't have to be a millionaire to bid on a car. Although auctions like those at Pebble Beach, Scottsdale and Amelia Island attract a well-heeled crowd, there are cars on the block in all price ranges, and there are some great potential bargains, if you have a deep understanding of the car you're bidding on."

Chris recommends that do your homework well in advance of the auction. First, you should learn as much as possible about any car you plan to bid on. Most of the time, auction houses publish detailed information about all the vehicles on the block, so buyers know exactly what they're bidding on. Attend the preview sessions before the bidding starts, and if you're not an expert in evaluating the operating condition of a car, then hire someone who can help. If you don't possess a first-hand understanding of the car's make and model, it's also a good idea

to research the actual experience of past and current owners to determine whether there are common problems you should be aware of before you bid.

Some seasoned auction buyers also talk in advance to staff members who manage the auction process from the floor (not the person with the gavel.) These professionals can sometimes provide helpful insights on specific cars and auction dynamics. Let them know if you plan to bid on a particular car, so they can direct the auctioneer's attention to you.

How to Take Your Dream Car Home

Advance preparation also involves pre-registering to bid, so that you spend your time checking out the cars, rather than waiting on long lines to fill out the paperwork. When you're calculating how much you can spend at an auction, be sure to factor in the commission charged by the auction house (usually 10%), as well as any federal, state, and local taxes; insurance fees; and transportation of any vehicle you purchase.

Armed with a reasonable expectation of what you might have to spend, if you plan to finance or lease the car, you should obtain pre-approval from a firm like Premier, that specializes in exotic and vintage cars. This will allow you to bid with confidence, and to expedite the processing of the transaction.

If you have a specific classic or collector car in mind, it's also advisable get an insurance quote from a firm like Hagerty before the auction, so that any vehicle you win at auction will be covered as soon as you've completed the purchase. Finally, line up a professional carrier, such as Reliable Carriers, that has experience handling luxury, exotic, and classic cars, because you will need to immediately ship any car you purchase.

Think and Act Like an Auction Pro

If you're a newcomer, Chris Warren suggests that you attend one or two auctions strictly as an observer, to gain a first-hand understanding of how they work. Pay attention to how seasoned buyers conduct themselves and the bidding tactics they use.

When you're ready, bid on a car that you really want to own and drive. Don't follow the herd by bidding just because there's a lot of buzz or interest in a particular car. Auction catalogs can romanticize cars in an effort to push bidders, so it's important to be guided by your head as well as your heart. It's best not to fall in love with any car until after you've won the auction.

If you are not bidding on a car, you should remain seated and be quiet. It's important that you're not a distraction for the auctioneer and for those who are bidding. You should expect the same courtesy.



Premier Financial Services

Vintage and Exotic Motorcar Leasing since 1997

Establish and Stick To Your Bidding Strategy

The most experienced bidders understand the #1 auction rule: they set a maximum bid price and stick to it. This may be the most difficult aspect of auction strategy for both newcomers and experienced buyers. For example, Wayne Carini – the host of the Chasing Classic Cars show on the Velocity Channel – sometimes writes his maximum price on his hand as a reminder not to exceed that amount.

For some seasoned auction bidders, it's easier to stick with their bidding strategy if they don't get caught up in the live competition for the car. They avoid the bidding drama altogether by leaving the auction floor and submitting their bids from another location, by phone or online, so that they can remain objective and disciplined. In fact, a number of auction houses will live stream their events right on their website, to accommodate buyers who wish to bid remotely or are unable to attend the auction in person.

When the Auction is Over

If you're not bidding on any of the heavily promoted cars on the block, it can be to your advantage to stay until the end of the auction, because that can be where some

of the best deals happen. The crowd will typically have thinned out substantially toward the end of an auction, which means there are fewer bidders; improving your chances of winning with a lower bid. Some auctioneers have a tendency to speed up the bidding, in an effort to wrap things up, which gives competitors less time to deliberate. So be prepared to bid decisively.

If you're lucky enough to find and successfully bid on your dream car at a top auction, it will likely add to your enjoyment of ownership. If your bidding falls short, keep in mind that turnover is constant in fine cars that come up for auction. Either way, the thrill of the hunt, the competitive bidding, and the fellowship with people who share your love of cars are all part of the fun of auctions.

Selling Your Car at Auction

There are many good reasons to consign your car to be sold at a live auction. Most importantly, your car will be marketed properly by the auction house, in advance of the auction, to thousands of potential buyers who are interested in the type of car you're selling. These are serious car enthusiasts from around the world, not local tire kickers who will waste your time.

To take full advantage of that market exposure, Dave Magers,

the CEO of Mecum Auctions, strongly suggests that sellers begin the consignment process well in advance of the auction. Magers reminds sellers that, "We're more of a marketer than an auctioneer. The longer that we have to showcase a car online, the greater the number of potential buyers your car will be exposed to. In fact, what happens in advance of the auction is more important than what happens at the auction." He counsels sellers not to call an auction house the week before an auction, or worse yet, not to just show up at the auction with your car, expecting it to be put on the block.

Auction houses like Mecum also have consignment reps who will provide guidance on strategy designed to help sellers with everything from market valuation of their car, to what day and time their car should run, and what other cars it should be sold near.

Do Simple Things To Sell Your Car

Magers says that there are a few "simple things" that sellers often overlook when consigning their car to an auction house. He strongly suggests:

- Thoroughly detail every part of your car, so that it looks as saleable as possible. This is money well spent. When it runs across the block, there should be no dirt or water spots on the car.



- Put a new battery in your car. It may sit for long periods of time at an auction, with no trickle charger. If we have to push a car across the auction block, it doesn't make the same impression as hearing the sound of a big, high horsepower engine.
- Make sure your car has good tires on it; ideally reproductions of the original tires. This can make a huge difference in the value of the car.
- Be sure that your car is in good mechanical condition. Potential buyers are often very savvy, and will consider every aspect of your car before they make an investment in it.

- Don't send DIY photographs of your car. World class auction houses will only use high quality photographs taken by professionals who specialize in cars. In fact, Mecum maintains a network of automobile photographers who will manage that task, which is covered by the sales commission. Mager often reminds sellers that when they show up to photograph a car, it should already be detailed and "photo ready," so that it can be marketed online in the best possible light.

Car sellers at auctions are required to disclose all material facts about the car, and Mager cautions them to be completely transparent and honest regarding

any representations they make. In some cases, sellers may be asked to prove certain features, such as numbers-matching cars, or claims of exact mileage. At the auction's vehicle check in, your car will also undergo close scrutiny for the authenticity of titles and VIN tags.

Whether buying or selling a car at a live auction, knowing beforehand what's expected of you can make the difference between having a productive, enjoyable experience or walking away frustrated. And if you plan to attend a major auction, we'd welcome the opportunity to introduce ourselves. Premier attends every major auction, every year.



Ross Dressel

Midwest Sales Manager
248.229.9924
rdressel@pfsllc.com



Michelle Yancey

Southwest Sales Manager
214.385.6670
myancey@pfsllc.com



Chris Warren

Southeast Sales Manager
770.265.4830
cwarren@pfsllc.com



Juan Garcia

West Coast Sales Manager
805.341.4814
jgarcia@pfsllc.com



Keith Neelans

Northeast Sales Manager
203.217.1127
kneelans@pfsllc.com

