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Message From The President

John Lawton, CEA
AMEA President



Sell it Now!

Summer is upon us, and Covid restrictions are being lifted in many areas. Manufacturers appear to be very busy. The return to a normal world is coming, but there are currently some complaints I am hearing from manufacturers, the sellers of new machinery, and used machinery dealers.

The manufacturers are having a hard time getting people to come in and work. Whether it was furloughed workers, or a need for more, it seems there aren't enough people willing to return to the workplace. The weekly "stay-home" incentive addition to unemployment payments appears to be working against employers who need workers now. Some states are ending this additional benefit, but nationally it runs through September of this year.

New machine tool manufacturers are having problems building inventory, and worse, meeting the demand of customer orders. Deliveries of new machine tools are not only being stretched out longer, but promised delivery dates are often not being met. I hear delays being blamed on suppliers, raw materials, and on delays at the ports. My guess is all of this can be somewhat attributed to companies everywhere trying to ramp back up without the workers they need to do so.

One result of this is inflation. Trucking prices have increased, riggers are charging more to load and unload machines. (Not to mention the shortage means waiting longer to get machines removed, shipped, or installed.) The discounting that was prevalent in the New Machine Tool sales world has ceased, with there being no sense to discount when current demand cannot be met.

I am sure you can guess how this impacts the Used Machinery Market. Delays in new machine deliveries and overloaded machine shops have companies scrambling to find used equipment to fill the gap. At the same time, Used Machine Dealers cannot build inventory with the shops needing every running machine that they have. The demand without adequate supply is resulting in higher-than-normal machinery values. Auction prices are running high. Dealers have been increasing asking prices (and avoiding any discounting) on any piece of equipment that they suspect may be desirable.

It is a good time to sell if you are lucky enough to have anything left to sell. When will the new machinery manufacturers catch up? When will the shops have the workers and equipment to meet their demand? When will the demand decrease? What long term effect does a \$4 Trillion Dollar "stimulus" have on an economy when it ends? With no historical reference, I guess we must just wait to find out.

APPRAISER

ASSOCIATION OF MACHINERY AND EQUIPMENT APPRAISERS

From the Boardroom

2021 AMEA Appraisers' Forum Recap

Doris Toronyi, CEA
Nick Gibbs, CEA
Terrance Jacobs, CEA



The 2021 AMEA Appraisers' Forum was held virtually on May 19th. This 1-day event was filled with educational presentations and several warehouse tours, where we learned about the companies, their machinery, and what to look for when appraising from the experts that buy and sell the equipment every day.

The event was hosted by two of our Canadian Board Members, Terrance Jacobs, CEA with TCL Asset Group and Jasen Kisber, CEA with C3 - Crescent Commercial Corporation. They added great entertainment, a few authentic Canadian prizes, and some welcomed great comic relief during a full day of education.

The day started virtually in Detroit with a tour of Nidec - CHS where Dave Reiman, CEA, Vice President of Sales for Nidec-CHS took us on a multi facility tour, highlighting their expertise in all things feed equipment. We talked values of their used inventory of feed lines, straighteners, and coil reels, and were able to see a new-build in process. We wrapped up with seeing a new feed line in action at one of their local customer's factories.

Next we headed north to one of the MDNA Canadian Chapter members and got a tour from Nelson Martines, President of DiPaolo Machine Tools Limited who provides a history of his company and how he got started in the business. Nelson is a major rebuilder of machinery. One of the highlights of the tour was when he shows us the largest Way Grinder in North America, a Schiess Grinder which has a bed, 40' long x 12' wide x 7' high, there are actually only 2 other similar size machines like it in the world!

After the first two tours, Scott Buth, CEA of Alternative Machine Tool, LLC in Wisconsin gave a very informative perspective on EDM Drills and how to appraise them. Scott reviewed some of the common applications of the drills, as well as the common manufactures and the differences between them.



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

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Tools of the Trade

So It's Time to Submit Your Appraisal for Review "Again."

What to do? Rush it Through or Push it off...Some Suggestive Thoughts.

David DiBenedetto, CEA

DiBenedetto Appraisal Services (DAS) member TDI Group LLC



Review the checklist of required items issued by the AMEA office thoroughly. This document accompanies the notice of appraisal due for review. The checklist highlights the important and required items which must appear in a report submitted in anticipation of acceptance. The checklist changes on occasion, accommodating both AMEA and USPAP requirements. Some commonly overlooked items include:

- Inclusion of the Engagement Letter. This document is required to formally initiate an assignment with clients and must be included in the report submitted for review as per the AMEA Standards. All details must be redacted.
- Inclusion of a complete and current "Appraiser's Certification," required by the AMEA and USPAP, this document must always be current, based on requirements of both governing bodies. A sample up-to-date copy of the document is available for members to reference at AMEA.org. USPAP requirements can be referenced in the most current edition of USPAP, Standard 8. Content requirements for the AMEA and USPAP closely resemble each other. However, there are differences and a report submitted for review must contain sufficient content adhering to all.
- The Scope of Work is an integral component of an appraisal report. The AMEA requires the Scope of Work to appear as an individual page of the report, suggesting that assignment related information and details of work performed appear clearly for ease of understanding by intended user(s) and person(s) reading the reports.

When submitting an appraisal report for review, remember to keep it simple. The review committee is not interested in voluminous information and numerous pages displaying photographs. Select a sample of your work that appropriately reflects your capabilities and performance, and redact all pertinent information identifying the appraiser, the client, and related information (i.e. company name, location, client name, intended user name(s), etc.), so the report is complete, yet unidentifiable. The number of items appraised can be reduced to a page or two displaying complete item descriptions, individual values and a total value of the asset listing. Definitions of value that are not utilized in the report and photographs are not required. However, the appraiser's signature and seal are to be signified on both the "Appraiser's Certification" and the "Certification of Value" pages within the report.

Finally, do not forget to include evidence of expertise, signified by a "resume" or "bio" page. Of course in the actual report, include the formal documents explaining a bit about who the appraiser is, achievements and capabilities as a professional and dedicated member of the AMEA.

Suggestion...*follow the steps above and get the report in early to maintain AMEA continuing credit requirements.* The review process is exercised and the committee is in place to support AMEA membership in complying with the requirements of AMEA and current USPAP requirements. All committee members are readily available to discuss appraisal reporting and promote a clear understanding of acceptable report writing requirements.

2021 AMEA Important Dates

August

August 24
Webinar: Benefits of Shearing
Material, Hoping to Help you Sell
That Shear That Keeps Sitting

September

September 13
Online 7-Hour USPAP Course

September 22
AMEA Board Meeting
Palm Springs, CA

September 23
MDNA Convention
Palm Springs, CA

September 23—26
MDNA Convention
Palm Springs, CA

For more event information:
Call AMEA: **703-836-7900**
or visit www.amea.org

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Scott also reviewed what to look for when appraising this type of machinery and what a typical appraisal description of the machine would look like.

Next on the list, Chris Walker, CEA of Walker Machinery gave attendees a tour of his facility. Walker Machinery specializes in both vertical and horizontal boring mills. Chris Walker, owner of Walker Machinery Ltd., took us on a tour of some very impressive Wele Bridge Mills being prepped for shipment later that month. We also looked at some machines his company is refurbishing and will be offering for sale once completed.

After Members got a short lunch break, we were back at it with a tour of F.P. Miller Company, where newly elected MDNA President Craig Ward explained the intricacies of appraising Blanchard Grinders. Craig took us through the stripped down process of rebuilding a Blanchard, while highlighting specific characteristics that can have a substantial effect on values. After this we met up with Kevin Immonem who spearheads their air compressor division to discuss red flags and values when taking appraising one in the field.

The next presentation was by Andrew Skoog, Owner of Hexis Reps. Andy shared with us how to identify the different Tool Holders in the Metal Cutting Industry. He demonstrated and explained the uses for Tool Presetters and Shrink Fit Tooling and Shrink Fit Machines.

For the last warehouse tour of the day we visited with Steve Walter of Wesway machinery Ltd. Steve is the grandson of Rudy Walter, who started the company in 1972 showed us around their showroom and explained the impressive lineup of partnerships they have with well known companies, such as Baykal, Fabmaster, Mazak, Timesaver and SafanDarley. Westway also has an extensive parts department and used equipment division to help service their clients across Canada. We chatted about used equipment values and what accessories help to increase a machine's value.

For our the final presentation to end the day, we traveled all the way to Australia for a Case Study of an Australian Engineering Co., presented by James Slattery,

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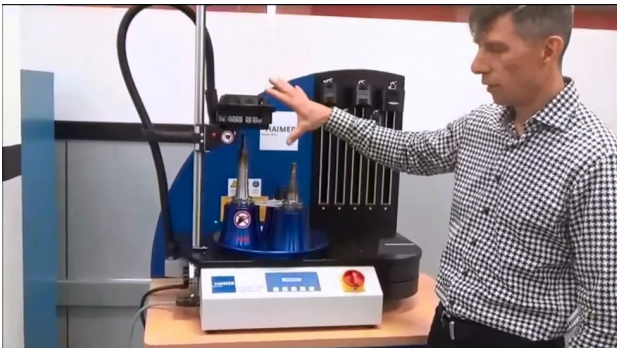
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IM of Slattery Assets Advisory Auctions & Valuations. James discussed a case study of a very large project his company was recently a part of, the difficulties that occurred, and how they were to overcome many challenges.

After a long day of virtual presentations and warehouses, our host Terrance Jacobs and Jasen Kisber wrapped things up with a thank you to all those who attended, the presenters, and the Forum Committee that put the event together.

Thank you all for attending and please be on the lookout for information regarding the 2022 AMEA Appraisers' Forum....live and in person!

See you in 2022!



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AMEA New Website

The AMEA is excited to announce the launch of its new website. The new www.amea.org has a great new look and layout that is user friendly, with an improved visitor experience. It is designed for our members to access the information they need, with the added benefit that updates can be published with ease, providing more timely content.

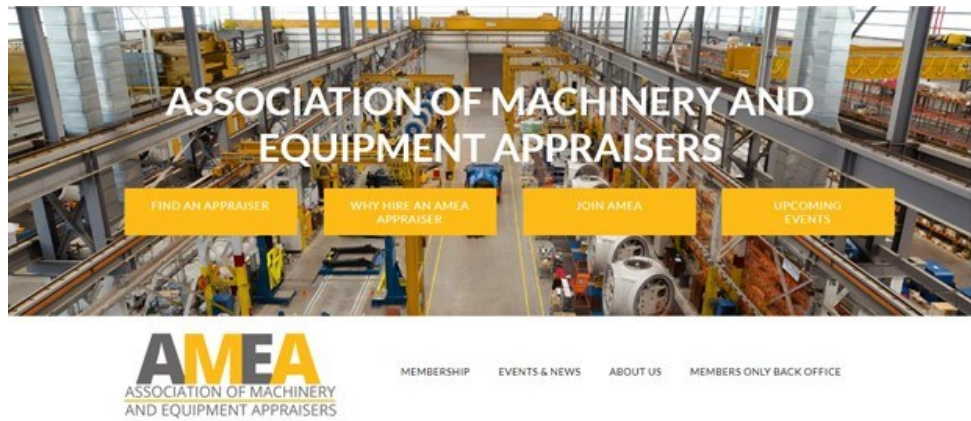
One of the great features about the new site is the control that members have over their membership information and the details that end users will see about you and your company when they find you on www.amea.org.

For AMEA members, once logged in, you can view all the items in the Members Only Back Office, including the webinars library, auction reports, appraisal sample pages, and your continuing education requirements. Within the new website, you can now update your contact information, as well as add your company logo, and social media pages to your profile for others to view on the website.

AMEA members, if you have not logged in to the new website, you will need to reset your password by following the below instructions.

1. Click on the member login in the top left corner.
2. Click on the "Click here to reset your password" that is just below the "Login" button.
3. You will then be asked to enter your email and click on the "Request Password Reset Email" button. Your username will be the email address at which you are receiving this email. You will be emailed a link to confirm your email address.
4. Open the email with the password reset link and click on the link.
5. Choose a new password.

If you have any questions, please do not hesitate to contact the AMEA office at 703-836-7900 or by emailing us at jason@amea.org.



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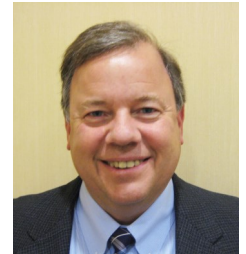
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