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Forum Sponsors

Appraisers' Forum Special Edition

Message From The President

John Lawton CEA
AMEA President



Letter from your Virtual President. Everything is virtual now, it is a word I have grown as weary of as the phrase "new normal" – I don't know why it bothers me so much, but it is like chewing tinfoil to me. But virtual, I remain until we can see each other again at another great AMEA event. Did I say event? You didn't think Covid-19 was going to stop the AMEA Board of Directors from scheduling a great event, did you? I mean really, over the last year we have discovered that our laptop computers are good for more than solitaire! Coming Soon to an Internet Near You!

The Registration is now open for the 2021 Virtual Appraisers' Forum. It will be held Wednesday, May 19 starting at 10AM Eastern Time (that's 7AM for all you West Coast surfer types). It promises to be a day full of educational opportunities. There will be warehouse tours of great machinery dealer facilities with machine appraisal opportunities along the way....and, I say AND... seminars on EDM Hole Drills, Tool Holder Talk with Presetter and Shrink Fit. There's even more, a special treat from the AMEA Board Member from Down Under – A Case Study of an Australian Engineering Company. I have not seen this, personally I hope they make knives. Just so I can hear an Australian guy say, "Now that's a knife." Okay, so 1980's movies aside, this promises to be not only a highly entertaining day to share with other experts in your profession – you get educational credit hours. I know, the Holy Grail of all certifications! It has been hard to come up with ways to get everyone together, but this should be both fun and educational. I really hope you all can make it. We have opened this Forum up to AMEA members and non-AMEA Members alike. So join us on May 19 – you can sign up for this event on our fancy new website at www.amea.org. That's right – New Website. I told you that your AMEA Board has virtually been up to things. So check out the new site AND sign up for the 2021 Virtual Forum! AMEA Members are going to love this, and non-members are going to want to join when they see what we are up to.

I really think that a good place to put an ad for this Forum would be right after this article. If it's there, I know someone proofread my letter! If not, the Virtual President may be virtually disappointed.

Register
Now

2021 **AMEA**
ASSOCIATION OF MACHINERY
AND EQUIPMENT APPRAISERS

APPRAISERS'
FORUM
MAY 19

Virtual

If you hate spoilers cover your ears now.
I hope to see you all this September in Palm Springs at the MDNA Convention – LIVE!

Best to You All!

Your Virtual President
John Lawton, CEA

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AMEA APPRAISER

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MISSION

To certify and accredit the most qualified capital equipment appraisers in the appraisal industry through promotion of standards of professional practice, ethical conduct, and market-based experience.

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

For details contact: Jason Baker,
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jason@amea.org

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.

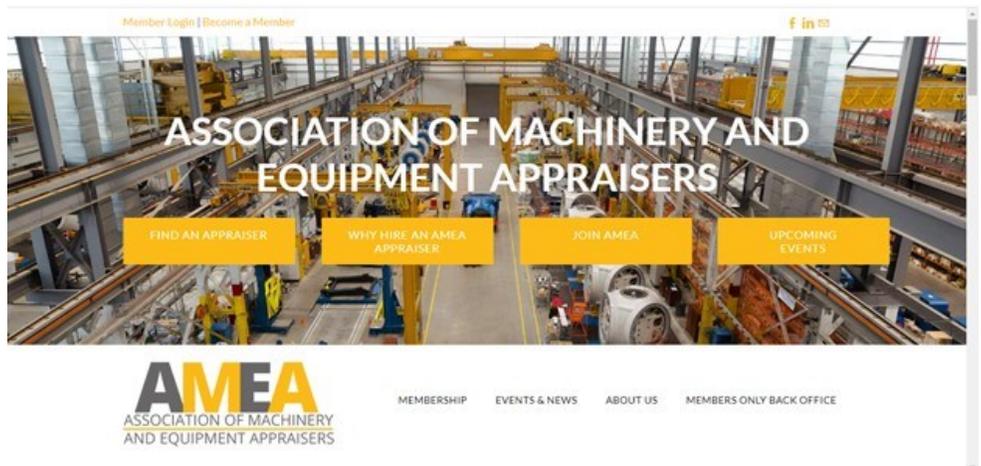
One of the great features about the new site is the control that members have over their membership information and the details that end users will see about you and your company when they find you on www.amea.org.

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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Tools of the Trade

Why all inventory is fruit: Key considerations in appraising inventory

- *Jasen Kisber, CEA*
- *C3 - Crescent Commercial Corporation*

We had a chance to catch up with Jasen Kisber of C3 – Crescent Commercial Corporation to discuss his AMEA webinar - Why all inventory is fruit: Key Considerations in Appraising Inventory.

AMEA: So, Jasen, what is the most significant consideration in appraising inventory?

Jasen: Probably the most important consideration is understanding the inventory mindset. Appraising inventory is different than appraising equipment. No big news in that statement. With equipment you are looking at, well, a piece of equipment, like a drill press or a forklift. While there may be several similar items that are the subject of an appraisal, each piece of equipment is appraised individually. So, if a company has 3 forklifts, even if they are all the same make, model, and year, the appraiser will examine the condition of each one to arrive at the value. This would be impractical when appraising inventory. Generally, with inventory there are several (or many) different SKUs (Stock-Keeping Units) and each SKU is made up of many units of the same item. You could have thousands of units in each SKU and, leaving aside that those units may be difficult to access because they are boxed and palletized, it would be very difficult and time consuming to inspect every single unit in each SKU and appraise them individually.



A quick aside, it is worth noting that SKUs may be defined very differently from company to company. So, at an apparel company, for example, a SKU might be the style of the unit, such as “women’s v-neck t-shirt” or style by color, such as “women’s black v-neck t-shirt” or a SKU could be the style by color by size, such as “women’s black v-neck t-shirt size Large”. How the SKUs are defined will necessitate different assumptions in the appraiser’s analysis. But I digress.



The key difference between appraising equipment and appraising inventory is that appraising equipment is contingent primarily on condition and appraising inventory is contingent on context. And I don’t mean context as in the difference between a forced sale and sale in the ordinary course of business. Let me explain by way of example. Let’s take a 5000lbs capacity diesel 2012 Toyota 8FDU25 forklift with a two-stage mast. The difference in value between any two of these forklifts is going to be based on the condition – hours, function, appearance – as well as any additional features, like enclosed cab or heating. Whether the forklift is owned by GE or Ed’s Garbage Depot will likely not have a significant impact on the value, other than as a proxy for how it was maintained. And while there is definitely some equipment that sells better at certain times of the year, the value of these forklifts, as with most equipment, will not be materially impacted by seasonality.

The same does not apply for inventory. Let’s go back to our women’s black v-neck t-shirt. Certainly, the condition of the units is going to matter somewhat; if you walk into the warehouse and see a bunch of boxes that are dusty and bent or stacks of crisp and clean packaging will impact your perception of the inventory. But, because it is impractical to look at every single unit, the condition of each individual t-shirt is going to be assumed. Quantity will matter as well. But whether quantity is a positive or negative is largely going to be dependent on the context. The context - whether that t-shirt is sitting in Nike’s distribution center or on a shelf in Mom & Pop’s General Store and whether it is spring, summer, fall or winter - is going to have a more significant impact on the value even if the t-shirt’s condition is exactly the same. And the context becomes even more significant when it comes to appraising Orderly Liquidation Value and Fair Market Value.

Continued on Page 7

AMEA Forum Warehouse Tour Presenters

F.P. Miller Co.

Presenter: Craig Ward, CEA



Craig has been employed at F.P. Miller Co for 34 years and has served as the General Manager since 2000. Craig has been an officer at the MDNA chapter level and currently presides as First Vice President on the MDNA Executive Board. F.P. Miller Company has been an MDNA member since the mid-1960s. Although F. P. Miller Co is a general value added machinery dealer, buying & selling all types of equipment they also specialize in Air Compressors, Blanchard & Springfield Grinder remanufacturing, repair, parts and sales.

Walker Machinery Ltd.

Presenter: Chris Walker, CEA



Chris Walker started working in the family business (Walker Machinery Ltd.) in 1996 shortly after receiving his diploma from the Institute of Technical Trades, Toronto, ON, in CNC setup/operator/ and programmer. Since then he has served as MDNA Canadian Chapter Chairman, Chapter Representative to the MDNA Board of Directors and has been an AMEA Certified Equipment Appraiser since 2003. Walker Machinery Ltd. has vast international knowledge of new equipment as they represent lines of machinery from Europe and Taiwan.

DiPaolo Machine Tools Limited

Presenter: Nelson Martin



DiPaolo is a full service machine tool rebuilder and retrofitter. DiPaolo is vertically integrated and controls the whole machine building process in-house ensuring unsurpassed quality and tremendous value. Our services include: machine tool rebuilding & retrofitting, machine tool sales, field service, machine tool installations, machine tool calibrations, sub-contract waygrinding, sub-contract machining and machinery appraisals.

We are authorized integrators and re-sellers of the following control manufacturers: Fanuc; Siemens, Fagor, Heidenhain, and MachMotion.

We are proud members of the MDNA (Machinery Dealers National Association) since 2006 and carry a wide selection of used machine tools in-stock. Our inventory can be viewed on-line at www.dipaolocnc.com

Nidec-CHS, a division of Nidec Press & Automation

Presenter: Dave Reiman, CEA



Dave Reiman is the Vice President of Sales for Nidec-CHS, a division of Nidec Press & Automation (Minster, OH), and is also the North American product brand manager for CHS Automation, its new OEM coil feed line equipment division. With 27 years in the machinery business, he has extensive knowledge in buying, selling, and rebuilding new and used coil handling and press feed equipment, stamping presses, and specializes in coil feedline applications for the automotive, appliance and medical manufacturing industries. Previously working for M-Press and MAK Press in Livonia, MI; he joined Pneumatic Feed Service / CHS in 2008 in general sales, then promoted to regional sales manager starting 2010 as the business grew.

Dave became a member of the AMEA in 2011 and currently serves in the local MDNA Detroit/Toledo chapter as Vice Chairman. He and his wife Joanne live in South Lyon, MI, and in his free time he enjoys competitive bowling and recreational golf.

AMEA Forum Speaker Bios

EDM Drills

Presenter: Scott Buth, CEA
Alternative Machine Tool, LLC



Mr. Buth is a graduate of the University of Wisconsin-Platteville. He holds a Bachelor of Science degrees in Agricultural Engineering and Agricultural Economics. Scott started his machine tool industry career in 1987 selling toolroom machinery and Mitsubishi EDM's. In 2001, Scott co-founded Alternative Machine Tool in Wisconsin. Alternative Machine Tool is a distributor of new and used EDM machines. It also is an importer and master distributor of EDM supplies and parts for all brands of EDM machines.

Scott has been active in the appraisal business for more than 10 years, and is a recognized expert in EDM machines and their respective values. Many AMEA members consult with Scott on specifications and values for all of the EDM machines that they appraise. On a regular basis, Scott provides online training services for the AMEA in a webinar presentation to the members.

Many dealers of new CNC machinery depend on Mr. Buth to provide values and resale service for used machine tools that are surplus to their customer's ongoing requirements. As a buyer and reseller of used machine tools he spends a lot of time in manufacturing plants and tool and die shops.

Scott and his wife Debbie reside in Wisconsin on an 80 acre farm and have two teenage sons. In his spare time, Scott serves as the President of the school board in Jefferson, WI. Scott also is the Crew Chief for his oldest sons off road racing team.

Case Study of an Australian Engineering Co.

Presenter: James Slattery, IM
Slattery Auctions



James has an extensive career in Asset Advisory, Insolvency, Auctions and Valuations including both National and International Valuations and Auctions.

Joining the Board of Slattery Auctions and Valuations Pty Ltd in 2012 James, together with brothers Paddy and Tim, oversaw the growth of the business to what is today, a multi-million dollar plant and machinery auction and valuation powerhouse.

In addition to his business and director duties in Australia, James maintains a seat on the Board of the Association of Machinery Equipment Appraisers (AMEA) since 2015.

Locally, James provides significant support to local organisations, conducting regular charity auctions on a volunteer basis.

As well as a Certified Practising Auctioneer James is an active member of key industry organisations:

- › Auctioneers & Valuers Association of Australia (AVAA)
- › Australian Restructuring, Insolvency and Turnaround Association (ARITA)
- › Association of Machinery & Equipment Appraisers (AMEA)

[Click Here to Register Now for the Forum](#)

2021 AMEA Important Dates

May

May 3
AMEA Committee & Board
Meeting

May 19
AMEA Appraisers' Forum

September

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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From the Boardroom *AMEA Continuing Education Update and Opportunities*

For over a year now COVID-19 has made all our lives more difficult both personally and professionally. Included in these difficulties is keeping up on your continuing education hours. With everything being shut down, and with conference and trade shows cancelled, many members may have asked how they will still be able to keep up on their continuing education hours. The AMEA Board understands this has been difficult and has made several opportunities to earn credits.

For starters, all members have already received "COVID" credit hours. CEAs that need 70 hours every 5 years have received 12 hours, and AMs who need 35 hours received 6 hours. This has already been applied to your account and you can view this by signing into the new AMEA website and looking under "Continuing Education Report Card." If you have any questions, please contact Jason at amea@amea.org or [703-836-7900](tel:703-836-7900) if you still need assistance.



In addition to providing these credit hours, the AMEA will be holding a 1-day virtual Forum to help earn an additional 8 credit hours. This will be very similar to the in-person events, with PowerPoint presentations as well as several warehouse tours of MDNA and AMEA member firms. The cost is only \$49 for members; you can learn more about this event by [clicking here](#).

One last way to earn additional credit hours is to watch one of the 28 recorded webinars in the AMEA Back Office. Over the years the AMEA and MDNA have held webinars on many topics, including different machinery, appraising, and more. Just click on the video to watch, and when you have finished, email jason@amea.org and let him know which video you watched, and when you watched it. You will receive 1 credit hour for every webinar that you watch online, just as if you had attended live. If you are interested in presenting a webinar and earning even more continuing education hours, please email jason@amea.org.

We hope these items help you in maintaining your continuing education hours during this difficult time.

New Members

Chris Stevens

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AMEA New Members Bio

Mike Neil, CEA F.P. Miller Co.



I have been working with FP Miller since January of 2014. I attended Jackson College and received an Associate's Degree in Business Administration. I then attended Sienna Heights University where I received a Bachelor's Degree in Professional Communications all while working full time at FP Miller Co. When I first started working at FP Miller Company I was basically just a shop hand. I swept floors, cleaned parts, cleaned machines, and drove a truck when needed. I eventually moved on to become a Service Technician where I performed routine maintenance and troubleshooting/repairs on industrial rotary screw air compressors. I then worked my way into air compressor sales where I scheduled jobs, ordered parts, and basically acted as customer service. I did that for a year or two before I started where I am now, which is buying and selling used machine tools, specifically Blanchard Rotary Surface Grinders.

In 2020 I decided I wanted to get more involved in appraisal practices so I took the 15 Hour USPAP course, then applied for the AMEA and here I am today. In addition to buying/selling machinery and performing appraisals, I enjoy spending time in the outdoors, hunting, fishing, and spending time with family.

[Interested in joining the AMEA?](#)

[Click here to complete and application today!](#)

Tools of the Trade (Cont'd)

Continued from Page 3

To complicate things even more, inventory is generally a moving target. With the same market conditions, and barring an accident, the forklift and its value are not going to change in any material way from one week to the next. In the case of inventory if the week is between December 23 and December 28, the value could change dramatically, even though general conditions in the market are stable. The quantity of inventory could also change materially over a short period of time, so to ensure that the appraised value has meaning to the client, it's important to think of inventory appraisal as more of a model applied to a moment in time and less of a snapshot of a moment in time.

Learn more about the inventory appraisal mindset and other key considerations in appraising inventory in Jasen's webinar available for free to AMEA and MDNA members [Click Here to login to the AMEA Back Office](#)

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Now**

2021 AMEA
ASSOCIATION OF MACHINERY
AND EQUIPMENT APPRAISERS

**APPRAISERS'
FORUM**
MAY 19

Virtual

**Registration is now open for the 2021 Virtual Appraisers' Forum
Wednesday, May 19th, 2021
10:00am - 5:00pm Eastern Time**

The AMEA is excited to announce that we will be holding a one day virtual Forum on Wednesday, May 19th. This event will include presentations on machinery and appraising, as well as virtual warehouse visits with some of our U.S. and Canadian AMEA and MDNA members to discuss machinery in their warehouse and what to look for when appraising.

By attending this 1-day virtual Forum, members will earn 8 continuing education hours.

Presentations

EDM Drills - Presented by Scott Buth, CEA

Case Study of an Australian Engineering Co. - Presented by James Slattery, IM

Tool Presetters, Shrink Fit Equipment, and Tool Holders - Presented by Andrew Skoog of Hexis, with Demonstration of Haimer Equipment.

Virtual Warehouse Tours

DiPaolo Machine Tools Limited- Tour provided by Nelson Martins

F.P. Miller Co. -Tour provided by Craig Ward, CEA

Nidec-CHS - Tour provided by Dave Reiman, CEA

Walker Machinery Ltd.- Tour provided by Chris Walker, CEA

Westway Machinery Ltd.- Tour provided by Frank Walter

[Register Now for the Forum](#)

AMEA members \$49

Non-members \$99

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AMEA Appraisers' Forum**

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