



JULY 2022 NCALB ALERT

PLEASE BE PRUDENT IN YOUR BUSINESS RELATIONSHIPS

The NCALB office occasionally receives inquiries from licensed auctioneers regarding telephone and/or email contacts they have received soliciting auction assistance for traveling multi-state dealers of personal property, often purported to be "luxury" items. Sometimes, the entity seeking to arrange the auctioneers' services references a person who is licensed in a state other than North Carolina. On its face, this scenario is not necessarily a problem as long as the owner of the goods wants to consign property to a licensed NC auctioneer to sell on his/her behalf in compliance with the requirements of NCGS 85B and 21 NCAC 04B.

However, an immediate red flag sometimes arises when the recruiter tells auctioneers that the property owner will **"pay you to use your license"** for advertisements, in addition to other agreement details. If the property owner is not a licensed NC Auction Firm, any absence of documented consignments and an auction contract (not just an agreement to do bid calling), could likely expose a licensee to a violation of 21 NCAC 04B .0404(a)(5) (*auctioneering at an unlicensed auction firm sale*), in addition to any other problems surfacing from such an auction.

Regarding active NC licensees in good standing:

1 - You are responsible for your own license. Whether opportunities emerge in a manner similar to the scenario above or otherwise, please always be careful to ensure that you follow North Carolina's laws and rules regarding auctioneering, and that you don't find yourself in a situation where issues may develop involving your auction - with or without your direct knowledge.

2 - If you encounter something suspicious, please let us know. You are encouraged to call the NCALB office at (919) 567-2844 anytime with questions. Though we cannot give legal advice, staff will be happy to discuss general questions with you and point you to the applicable laws/rules. Of course and as always, you may also wish to consult your own legal counsel.

Thank you,

NCALB Staff