

Storage Auctions: Who needs a Bond?

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Did you know to perform a legal mini-storage auction, the person doing the bid calling must have an auctioneer's bond? According to the Civil Code 1812.600, a person who either calls for bids or makes offers for the purchase of goods at an auction, is required by California law to have an auctioneer's bond. Many acting as auctioneers believe they can "do" the job, however, history has proven otherwise. These "auctioneers" operate with little or no regard to legal repercussions. A person driving without a license may feel they are more than adequate to drive. In the same manner, a non-bonded auctioneer may feel he is capable of calling an auction. In reality, both the unlicensed driver and the non-bonded auctioneer don't fully comprehend the perils involved conducting these illegal activities.

Codes pursuant to California Statutes, Business, and Professions Code, Section 21700 and Title 2.95 Section 1812.600-607, is required to obtain an auction bond. Not having an auction bond will create potential lawsuits. Even the most innocent of mistakes can result in huge losses. Cases of non-bonded auctioneers conducting auctions have increased. Lawsuits tie up valuable time and money for the owner/stockholder/manager, of these storage sites.

In the past, not having a bond may have been overlooked. Currently, lack of an auction bond is an open invitation to take you, the owner/manager, to court. Sadly enough, the sole responsibility falls on the storage site to prove why it acted "recklessly", by not having a bonded auctioneer that would have recognized the error immediately. Attempting to conduct auctions without education skills, will invariably result in catastrophe. It takes years to acquire the skills of a truly qualified and bonded auctioneer. The chances of lawsuits can be minimized dramatically by simply using the services of a professional auctioneer. A storage auction expert will focus their attention on drawing the right crowd to insure the units are auctioned for the maximum return for your establishment. They will under all circumstances maintain total crowd control. If you ever had the displeasure of being engulfed in an unruly crowd, you immediately understand this alone can justify having professionals on site. By using a professional, you are assured the work will be done in a timely manner, within on budget, and above all, properly.

There is an old proverb that says, "a wise man will change". Hopefully, this article will enlighten those "auctioneers" who are attempting to work without a bond risking potential violations. Only those who have been trained and bonded have the ability to avoid these legal pitfalls. It is of the utmost importance you are fully aware of the responsibility you accept by not being bonded if you are doing your own auctions.



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