

# Good times return

ARIZONA AUCTION WEEK 2011 SHOWS BOTH THE HOBBY AND THE INDUSTRY ARE ALIVE AND DOING WELL—QUITE WELL.

Story by Larry Edsall  
Photos by Randall Bohl and Larry Edsall



Photo courtesy Russo and Steele Auction

## Russo and Steele

### 11th Annual Sports and Muscle in Scottsdale

A year ago, Russo and Steele Collector Car Auctions was eager for its 10th annual event in Scottsdale. But the festivities came crashing down—literally—when a tornado-like storm decimated the auction site, causing what Russo and Steele founder Drew Alcazar later termed “the most catastrophic disaster to ever befall a collector automobile event.”

Hundreds of cars sustained millions of dollars in damage. It took two days to clean up the debris and restart the event, and by then many cars were gone and many potential bidders already had headed home. In the aftermath, there were those who wondered if Alcazar and his company would survive.

They did, but then just weeks before the 2011 event, there was another setback. Alcazar thought he had done a deal to move his auction to a new site in Scottsdale, but another auction—Barrett-Jackson, where Alcazar used to work before he launched his own event—claimed it needed the location for overflow parking.

Alcazar’s anticipated move didn’t happen. He was right back where he started.

But he was back with some 600 cars up for bidding—yes, Russo and Steele’s consignors returned despite the damages last year—and that bidding didn’t take place in an ordinary if large tent. This year, Russo and Steele’s auction-in-the-round arena-style layout was set up in a nearly 50,000-square-foot temporary structure from Losberger, a German company that provides similar

structures for Olympic venues and military bases.

Blessed by perhaps the best Arizona auction week weather in a decade, the 2011 Russo and Steele auction at Scottsdale not only rebounded from 2010 but, in Alcazar’s words, “we knocked it clean out of the park and ripped the cover off the ball.”

With the disaster last year, Russo and Steele didn’t report 2010 results, but in 2009 its Scottsdale event enjoyed total sales of \$17.1 million. This year, it reported more than \$21 million in business.

Not only did Russo and Steele sell a 1970 Plymouth Hemi ‘Cuda convertible for \$1.705 million, but that figure ranked fifth-best among the 2500 or so cars sold at all auctions in Arizona in January. Significantly, rival Barrett-Jackson had no vehicle in the million-dollar category. In fact, Barrett-Jackson’s highest vehicle sale for a car not benefiting charity was \$368,500 for a 1956 De Soto Fireflight convertible.

In addition to the million-dollar muscle car, Russo and Steele got \$704,000 for a 1955 Mercedes-Benz 300 SL “gullwing” coupe.

Other top sales at the event were \$335,500 for a 1965 Shelby Cobra 427, \$236,500 for a 1970 Plymouth ‘Cuda 440/6 and \$194,700 for a 1957 Cadillac Eldorado Biarritz.

## Barrett-Jackson

### 40th Annual Collector Car Auction Event

Ask people what justifies Barrett-Jackson’s proclamation of being the “world’s greatest classic car auctions” and the answers likely would include such things as:

There is no doubt that Barrett-Jackson, which celebrated its 40th anniversary in January, is the largest of the classic car auction companies, but what most distinguishes its events from others isn’t just attendance, size, TV, celebrities or even money. Well, it is money, but in this case it’s money raised for charity.

The 2011 40th annual Barrett-Jackson auction sold 21 vehicles and one General Motors “crate” engine to benefit charities. Those sales, on which the auction company waives all consignment and bidder fees, raised nearly \$4 million for 20 charities.

Even before there was a Barrett-Jackson Auction Company, the Barretts and the Jacksons were staging car shows to generate funding for Scottsdale’s library and arts center.

The company’s generosity shows, with bidders often going well above a vehicle’s value when they know the money is going to charity. For example, a one-of-a-kind 2012 Ford Boss Mustang Laguna Seca coupe brought \$450,000 for the Juvenile Diabetes Research Foundation, and a 2011 Chevrolet Camaro convertible Indy pace car raised \$225,000 for the David Foster Foundation.

The Darrell Gwynn Foundation, founded by an injured drag racing champion to provide specialized wheelchairs for children who need them, got several hundred thousand dollars from the sale of a street-legal version of the 1974 Mercury Montego David Pearson drove in the 1976 Daytona 500 and a replica of Gwynn’s 1990 Coors Extra Gold Top Fuel dragster.

Nearly \$300,000 was raised from a 1993 Chevrolet

Corvette and a 1965 Shelby Cobra 4000 for the Barrett-Jackson Cancer Research Fund in Memory of Russ (Craig Jackson’s father) and Brian Jackson (Craig’s brother).

Other charities benefiting from the auction included the American Heart Association, Levine Children’s Hospital, the Paralyzed Veterans of America, Chidhelp, Victory Junction Gang Camp, the Child Safety Network, and St. Jude Children’s Research Hospital.

## RM Auctions

### 12th Annual Automobiles of Arizona

“We may buy collector cars at home [from private owners or classic car dealers], but the auctions set the tone. We all watch the numbers. This weekend sets the tone.”

That from Corky Coker, who follows the classic car marketplace about as closely as anyone. Not only is Coker a collector, but he is the head of family-owned Coker Tire, which produces new tires that fit—and look period correct—on classics of all eras.

Based on the results of the first complete event among the major annual classic car auctions in January in Arizona’s Valley of the Sun, the tone for the classic car hobby for 2011 was upbeat, with RM Auctions selling an astounding 96 percent of all the cars that crossed the block at the Arizona Biltmore Resort and Spa and for a total of \$30.8 million, the highest amount generated in any of RM’s dozen years of Arizona auctions, and at an average of \$293,090 per car.

“We are thrilled with the results from this week’s Arizona sale,” said RM founder and CEO Rob Myers. “The offering attracted strong interest from collectors around the globe, with numerous lots exceeding expectations. It is a great start to the new year and paints a very positive forecast for the auction season ahead.”

Although it wasn’t the biggest-dollar sale of the auction, perhaps the most remarkable bidding focused on a 1955 Mercedes-Benz 300 SL “gullwing” coupe. The car’s pre-auction estimate was \$700,000-\$800,000. But with bidders from Europe and the Middle East going at it, the hammer didn’t fall until the price had climbed to \$1,375,000, a record amount for a steel-bodied Mercedes gullwing.

The day before that Mercedes sold, Drew Alcazar, who heads the Russo and Steele classic car auction company, participated in a panel discussion and suggested that it was time to buy gullwings before they hit the million-dollar mark.

So, is the gullwing at RM the new standard or an anomaly? Classic car market experts say we won’t know until the next three cars sell.

One of those three—a 1954—sold later in the day at RM. Estimated to be in the \$450,000-\$500,000 range, the car brought a very healthy \$544,500.

The top sale at RM was \$1.87 million for a 1949 Ferrari 166MM barchetta with bodywork by Touring.

A 1933 Packard Twelve sport phaeton went for \$1.76 million, and a Dietrich-bodied Duesenberg Model J dual cowl phaeton brought \$1,237,500.

Just missing the million-dollar mark were a 1965 Ferrari 500 Superfast for \$935,000 and a 1939 Bugatti

## Russo and Steele

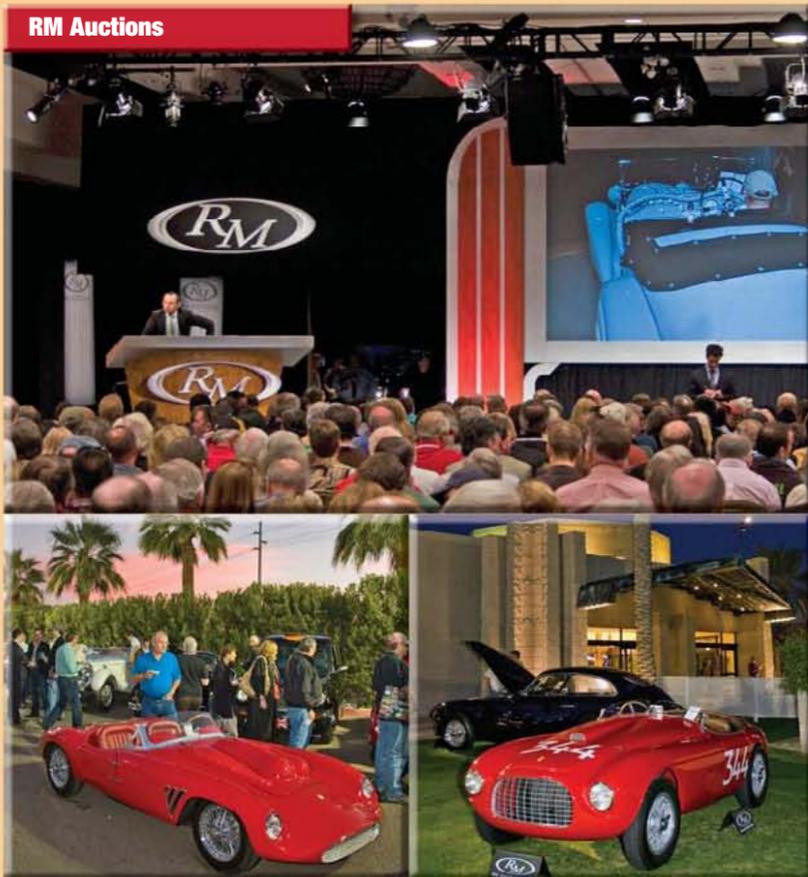


## Barrett-Jackson



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KEEP RIGHT >>



Photos: Randall Bohl [6]

Type 57C three-position drophead coupe that brought \$913,000. A 1973 Ferrari 365 GTB/4 Daytona Spyder owned for some 20 years by baseball Hall of Famer and car collector Reggie Jackson, and before him by Evel Knievel, sold for \$880,000.

### Gooding & Company 4th Annual Scottsdale Auction

Scottsdale Fashion Square is the hub of upscale shopping in one of the nation's most upscale cities. Each January, two large white tents are raised in one corner of the shopping center parking lot. A press release calls the tents "glamorous," which might seem an overstatement until you walk inside and see the huge chandelier hanging high overhead.

The tents house the Gooding & Company Scottsdale Auction of classic cars, though until the bidding begins, walking around inside the tents is more like visiting one of the finest car museums on the planet.

Take the Gooding auction held in mid-January. Even before you enter the main auction tent, you walk past an historic Porsche 904 race car and a Tucker that set speed records on the Bonneville Salt Flats, then was locked away for some 50 years.

Inside, there's the Shelby 289 Cobra that was Carroll's factory demonstrator, still in its original paint. Just a few feet away and beneath the chandelier is a pair of Ferraris, and just beyond them several men are under the hood, in the driver's seat and even on the floor examining a "gullwing" Mercedes-Benz 300 SL up close and personal.

And it goes on and on, inside and even outdoors between the big tents. Duesenbergs and Ferraris (17 of them this year), Packards and Rolls-Royces, Cadillacs and Aston Martins and so many others that you might expect in a museum or on the lawn at the Concours d'Elegance of America or Eyes on the Classics, but here they are, and all are for sale.

All for sale, though not all will sell, because at such high-end car auctions, those consigning their cars can specify a reserve, a dollar amount the bidding must reach before the car actually can be hammered "sold!"

But at Gooding, not only are the cars of high quality, but so are the bidders and their budgets. This year, 121 of 129 vehicles that crossed the block sold, including every car on Saturday, the finale of the two-day event.

Those 121 cars brought nearly \$35 million, an average of \$289,090 per car, more than \$115,000 per car higher than the other high-end auction held during Arizona Auction Week and more than five times per car as much as the nationally known Barrett-Jackson auction.

Gooding has been coming to Scottsdale for four years, and each year it has posted the highest dollar sale of the week. This year that car was one of only 30 Ferrari FXX sports racers from the personal collection of the late Benny Caiola, a son of immigrants whose real estate management company started with a 26-unit apartment building in Manhattan. Caiola became Ferrari's best customer in the United States.

The FXX brought \$2.09 million. Eight other cars sold

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### PANEL DISCUSSIONS: AUCTION EXPERTS OFFER BUY-SELL-HOLD ADVICE

When asking for advice about what classic car to buy, collector car enthusiasts often are told simply to buy what they like. In other words, just buy a car that has personal meaning—perhaps the car they wanted but could not afford back in high school or a car they will enjoy driving and taking to local car shows.

And yet, through the years, classic cars have proven to be pretty decent investments that can increase significantly in value, so you can't blame people from seeking expert advice on what to buy, what to hold, and what to sell.

Hagerty, the world's largest insurer of classic cars, hosted an inaugural Global Auction Summit at the Penske Racing Museum in Scottsdale during Arizona's annual classic car auction week. The summit featured a panel of experts from eight major auction companies, including two based in England.

After answering various questions about the state of what is a hobby for car collectors but an industry for companies involved in restoration, insurance and auctions, each panelist was asked what car to buy, what car to hold, and what car to sell.

Cars receiving *BUY* recommendations included the Porsche 356, fun-to-drive and still stunning to see XK-E Jaguars, "gullwing" Mercedes-Benz 300 SLs—while they still can be had for less than \$1 million—but also increasingly popular (and now apparently only slightly less expensive) 300 SL roadsters, and earlier coach-built Ferraris from the era when Enzo Ferrari was in his prime.

Mitch Silver of Silver Auctions suggested the 1966 or even 1965 Pontiac GTO "Tri-Power" convertible and 1953-55 Oldsmobile, Buick or Pontiac convertibles. Donnie Gould of Auctions America by RM noted that the 1966 Shelby Mustang (with a four-speed manual transmission) costs about half of what a '65 model brings, but is basically the same car and thus is a great buy.

The experts said to *HOLD* the cars that bring you the most enjoyment, and also to hold muscle cars, which have slipped some in value in recent years but figure to make a comeback.

What to *SELL*? Clones, re-creations and "tribute" cars. Why? "It may have been your dream when you built it," said Simon Hope of Britain's H&H Classics Unlimited. "But don't expect it to be someone else's."

Drew Alcazar of Russo and Steele said he considers clones and tributes to be what he calls "title in the glove box" cars. He explained that these are cars the original owner may enjoy, but at some point he or she needs to simply park the car at the side of the road, say "well, I've had my fun," and walk away. In other words, don't expect your re-creation to create big monetary rewards when you offer it at auction.

One other category of cars which have been fairly hot in the market in recent years but were consistently rated as a *SELL* by the experts was 1955-57 Ford Thunderbirds, the first-generation, two-seat cars. Except for those '57 models equipped with superchargers, the experts said there are so many of these "baby Birds" available that you can sell yours with confidence that should you ever change your mind, you'll easily be able to replace it at a reasonable price.



(Above) A panel with Scott Brandt of St Louis-based MotoeXotica, racer emeritus and renowned writer Denise McCluggage and classic/collector price guide publisher/appraiser Dave Kinney spoke to the Phoenix Automotive Press Association earlier in the week at the Phoenix Art Museum. (Below) The Hagerty Global Auction Summit at the Penske Racing Museum.



David Swig, Bonhams & Butterfields; Donnie Gould, Auctions America by RM; Mitch Silver, Silver Auctions; Max Girardo, RM Auctions Europe



Drew Alcazar, Russo and Steele; Garth Hammers, Gooding & Company; Rod Egan, Worldwide Auctioneers; Simon Hope, H&H Classic Auctions

#### Gullwings (and roadsters) take flight

If you were among those following that advice and seeking to buy a classic 300 SL—gullwing or roadster—during Arizona auction week, you needed a little more cash than expected because prices were up on both versions.

Although it wasn't the biggest-dollar sale of the auction, perhaps the most remarkable bidding at RM focused on a 1955 Mercedes-Benz 300 SL "gullwing" coupe. The car's pre-auction estimate was a substantial \$700,000-\$800,000. But with bidders from Europe and the Middle East going at it, the hammer didn't fall until the price had climbed to \$1,375,000, a record amount for a steel-bodied Mercedes gullwing.

But was the gullwing at RM the new standard for what has been the gold standard of international car collecting, or was it merely an anomaly? The classic car market experts say we wouldn't know until the next three sold.

#### And sell they did:

At RM, a '54 brought \$544,500. At Russo and Steele, a '55 went for \$704,000. At Gooding & Company, a '56 got \$858,000. Granted, the quality of the cars varied, but considering that coming into Arizona, excellent gullwings were typically considered to be in the \$650,000 price range, those totals were more than just good. And it wasn't only the much heralded gullwings. Mercedes 300 SL roadsters did extremely well, too. In fact, they went for what had been considered gullwing-like prices:

At Gooding, a '62 roadster (an unrestored car with very low mileage) brought \$951,500, and a '60 model went for \$627,000.

At RM, a '60 roadster sold for \$572,000.

—Larry Edsall

Photos: Randall Bohl [12]



Photos: Larry Edsall [9]

**GRG International**

for more than \$1 million, and a 1971 Lamborghini Miura P400SV missed that mark by a mere \$10,000.

Gooding & Company is led by David Gooding, whose father was an auto museum curator. David Gooding worked for the prestigious Nethercutt (classic car) Collection, which was founded by a Merle Norman Cosmetics heir, and then for auction company Christie's and for three years was president of RM Auctions before launching his own company.

**GRG International Auction Inaugural Classic Car Auction**

The temptation is to call them the new kids on the (classic car auction) block. However, Leo Gephart is in his early 80s and "Cactus" Jack Gartley is just a couple years younger, and their involvement in classic car sales dates back at least 40 years.

In fact, *Hemmings Classic Car*, a magazine that is part of the *Hemmings Motor News* organization that has been reporting on vintage vehicles and those who buy them since 1954, has called Gephart "the architect of the collector-car hobby."

Gephart was among the first in the country to operate a dealership that specialized in collectible cars and, according to a long article published in *Hemmings Classic Car* in 2008, he was among those who encouraged Russell Kruse, who had been doing estate and farm equipment auctions in Auburn, Indiana, and Scottsdale car collectors Tom Barrett and Russ Jackson to stage the first major classic car auctions.

Although his day jobs were primarily in mobile home sales and for many years in casino and hotel development in the western United States and Costa Rica, Gartley has been associated with Gephart for several decades. They comprise the "Gs" in GRG, which on January 1-2 celebrated the grand opening of the GRG Scottsdale International Auto Museum and Scottsdale Museum Club Event Theater by staging the first GRG International Classic Car Auction.

The "R" in GRG is Tommee Ranger, who is several decades younger than his partners. Some simply describe Ranger as a "promoter," but that's a term he doesn't like. He describes himself as someone whose business is "connecting the dots," putting people together with projects he anticipates will be profitable while also producing benefits for the surrounding community and its charities.

The museum and event theater are housed in what had been the empty shell of a former Mervyns Department Store in the Scottsdale Pavilions shopping center.

Although GRG had been working on the museum for several months, it was less than a month before the grand opening that Gephart decided to open with a classic car auction. He called on many of his long-time friends and customers to make available 210 vehicles that crossed the auction block January 1-2.

Although only 40 or so of those vehicles sold, those unsold—and several of those that did sell—remained in the museum throughout the month of January. GRG anticipated those vehicles will benefit from good exposure as people arrived for the Barrett-Jackson, RM Auctions, Gooding & Company, Russo and Steele, and other classic car auctions in the Phoenix area.

Those cars not only provided the bulk of the first set

of vehicles on display at the museum, but those that didn't sell at the auction remained open for on-line bidding and what are known as after sales.

Moving forward, the plan is to fill the 75,000 square feet of museum space with a rotating display of collector vehicles, some owned by Gephart and his friends, others on loan from a variety of car enthusiasts.

**Silver Auctions at Fort McDowell 14th Annual Arizona Auction**

Mitch Silver was a car collector who went to an auction in the 1970s and realized that by running his own auction company, he wouldn't have to chase after cars—they'd be coming to him. He launched Silver Auctions, based in Spokane, Washington, in 1979 and stages a dozen or so events each year in the western United States and Canada. Silver's biggest auction is held in conjunction with Hot August Nights, a huge classic car gathering each year in Reno.

Silver is considered an entry-level collector car auction focusing on cars in the \$20,000 to \$100,000 price range.

The annual Silver event here in Arizona is held at the Fort McDowell Resort and Casino east of Scottsdale near Fountain Hills. In addition to a three-day auction that sold nearly 200 cars and took in \$3.4 million, a week later Silver staged a "Last Chance" event that included 80 vehicles that either didn't sell at the earlier auctions or that buyers decided they just couldn't fit in their garages back home.

**MotoeXotica at Manheim Inaugural Phoenix Auction**

MotoeXotica's inaugural Phoenix Classic and Exotic Car Auction sold some 100 of the 240 cars available and did some \$1.5 million in business at the Manheim wholesale auction facility in Tolleson.

The top price paid was \$70,000 for a 1965 Pontiac GTO.

"We put the event together in 90 days," said Scott Brandt, who staged his first auction at his MotoeXotica dealership in St. Louis, Missouri, in 2008. That auction proved too large for the dealership, so the general manager of the local Manheim facility suggested Brandt move the event to Manheim in 2009. That was the start of a relationship between the two companies that launched the Phoenix auction this year.

(Manheim, with facilities across the country, is the nation's largest wholesale auto auction company, dispersing used cars and former rental fleet vehicles on a weekly basis.)

Brandt said he'll be back in Phoenix in 2012, and already is talking with Manheim about classic car auctions at other Manheim facilities as well. ■

After working as a sports editor for daily newspapers in Michigan, **LARRY EDSALL** was on staff for 12 years at *AutoWeek*, most of it as managing editor. He has driven more than half a million miles testing cars on four continents. He helped launch [www.izoom.com](http://www.izoom.com) and also helped found PAPA, the Phoenix Automotive Press Association. His books include *Masters of Car Design (Genius)*, *Miata 20 Years* and his eleventh, *Camaro: A Legend Reborn*, all available at [amazon.com](http://amazon.com).