

MAINstreet

MAGAZINE



the auction block:

THE COPAKE AUCTION HOUSE

By Christine Bates

christine@mainstreetmag.com

The silver haired auctioneer that doesn't need a microphone is Michael Fallon, the third owner of the Copake Auction House in Copake, New York. The auction house occupies a group of low slung, red clapboard buildings across the street from a paint store with a silo on the outskirts of this small rural town in south eastern Columbia County. Henry Folger founded the auction sometime in the 1940's and it claims to be the oldest continually operating auction in the Hudson Valley. Originally auctions were held here three days a week selling farm equipment on Thursdays, livestock and eggs on Fridays, and antiques on Saturdays. Michael Fallon bought the auction in 1986 and has changed the business, but not the country feel.

How did it happen that a boy raised in New Jersey bought an auction house in rural Copake?

It's an interesting story. After high school, where I met my wife, I became an aircraft mechanic in the Air Force. When I got out in 1969 the Vietnam War was de-escalating, jobs were tough to get and I became a carpenter. Then I went to aircraft maintenance school and by the time I finished you couldn't buy a job. A friend of mine suggested that I get a job working on cars for a Toyota dealership in Wappingers Falls. After a while I became a service manager and was then put in charge of used cars at another agency. But the whole time I bought and sold antiques. Even as a kid in high school I bought and sold antiques and started going to auctions.

I really wanted to be an auctioneer so I left the car business and went to auction school in Kansas City, Missouri. It was a ten-day boot camp with classes from 8 to 5 and then attendance at live auctions every night. After finishing, I joined an auction business in Poughkeepsie, the partnership didn't work out and I found myself forced back into the car business. Then the dealership where I worked was sold, and at age 40, I became unemployed.

Our best friends, Bill and Sherry Williams who lived next door, urged me to go on a religious retreat at a monastery in Newburgh. Everyone told their stories and talked about what they wanted to be. I said, "I want to buy my own auction house."

Then the phone call came from Ed Friedman, the second owner of the Copake Auction House who knew me from auctions. "Do you want to buy my auction business? Come see me." I told him I had no money at all, none, but my neighbors



urged me to talk to him and then they loaned me \$25,000. Ed made a call to his banker at Hudson City Savings and they loaned me another \$40,000 to buy the business. God gave me this business.

What made you think you could succeed?

I knew how to make money with antiques. I knew that I could buy at auction and sell for a profit. I'm not a real smart guy, but I can see value. I just thought I could make it. And I hated the car business.

Was it difficult at first?

Initially I commuted from Hyde Park and then I brought my family here. They weren't too happy to be leaving friends behind and moving to a farm town. In the mid to late 80's the business was fabulous. You could sell anything, and then in the early 90's it was terrible – really tough times. I set up a flea market on Route 22 to make money. I did truck deliveries. I wouldn't turn down anything to make money. By 1999 the business recovered, but by then I was making changes in the way we did business.

What changes did you make?

I wanted to improve our quality so we held auctions only once a month instead of every other week. Then we started to print a list of items so clients would know whether what they wanted was going to be at the beginning or at the end of the sale. By the mid-90's we started photographing every item. Then the Internet came along and altered everything. Our auction could reach customers everywhere. In our last sale 55% of the winning bids were made on our Internet bidding system from everywhere, including Crete and New Zealand. Local customers can preview the lots and order from home or a restaurant while they are having dinner. For our bicycle sales we have had buyers from 38 states and 18 countries.

I took a small business course through the Chamber of Commerce and developed a business plan. Every month we look at our numbers. We started to get technology smart when my son gave

Continued on next page ...



me a computer when he graduated from college. We had to take out a loan to get our first computers, and it was a huge leap. Technology is really important to our business and we are constantly upgrading our capabilities every six to seven months. With our Auction Zip software we can now take photos of 4,500 items in only six hours. We are also active on Facebook.

What didn't you change?

Well, the building is pretty much the same and we have continued the tradition of the New Year's Day auctions. We had our 33rd this year. I attended the very first one when Ed owned the business, and it remains a signature event for us.

Can you explain about the bicycles?

Bicycles, quite accidentally, put us on the map. There were some high-wheeled bicycles in an estate sale that we advertised and we received lots of calls about them. Nine serious bidders showed up and one said, "My name is David Metz and I'll help you." He gave us bicycles from his collection in Freehold, New Jersey to sell. At our first sale in 1991 we sold \$50,000 of bikes, and last year at the December sale we sold \$488,000 in one auction. There are three bicycle auctions a year and the

next one is coming up on Saturday, April 20th. Sale previews take place on Thursday and Friday. All day on Friday there is a swap meet in the old sheep meadow behind the auction house, and there will be a ten-mile long high wheel bicycle ride on the rail trail in Copake. Vintage bicycle collectors, some wearing period clothing, come from all over the world including two from Latvia. Bike hobbyists take vacations to be here and fill up every hotel and restaurant around. The most expensive bicycle we've sold so far was for \$35,000. We also sell bike accessories like Victorian pins to hold up the skirts of lady bicyclists, vintage lamps that can sell for as much as \$8,000 and bicycle posters. (It should be noted that Mr. Fallon himself prefers riding motorcycles.)

Where do you get the stuff you sell?

We primarily auction all the items in a house. Sometimes we make as many as five house calls in a single day to evaluate contents. Over the years people have come to know and trust us. Lots of people have furnished their country homes from our auction, and now it's time to downsize. I call it the aging-out crowd. We advertise in the Newtown Bee and the Maine Antique Digest. We also sell art from small museums across the country and even from Japan. At the moment we have enough stuff in storage for three or four auctions. I hate to say no.



Above top left: The back sheep paddock.
 Above bottom left: The menu board
 Above, large photo: Items ready to be presented at auction
 Above: The father and son team of the Copake Auction House, Michael and Seth Fallon

Opposite page: Michael Fallon with a beautiful bicycle poster.

What are some of your most surprising finds?

Every day you find stuff you haven't seen before, or your estimate of the sale price is way off. For example, we had a contemporary painting by an Indian artist named Singh that we tried to research but there are lots of Singhs. We estimated the price at \$50 to \$100 and it sold for \$15,000 because a customer knew the artist. Another time we found an American 1690's Pilgrim chest of drawers in Hillsdale that the owner thought was worth \$10,000 and we sold it for \$55,000. The biggest surprise was just in 2011 when we sold an artwork done by a contemporary German artist, Gunther Uecker, for \$389,000 to a German collector. My son Seth flew to Germany to deliver it in person.

What do you like to sell the most?

Whatever makes the most money I like the best.

What do you like best about the business?

You never know what you are going to find. It's exciting looking and you can make a year's pay in one day.

How has the market changed over the years?

What we call period "brown furniture" is a bargain today. For example, a round oak table that would have sold for \$350 twenty years ago might bring \$50 to \$150 now. A Chippendale chair brings \$850 instead of \$2,500. The Internet has saturated certain collectible categories like Hummel figures and Chintz china, driving down prices. It's hard to tell people that what they have is now worth less. What's really hot now is mid-century modern.

What is the most difficult part of this business?

The logistics of moving physical objects around and shipping are difficult. The worst is getting paid by buyers. And now there are also fake buyers. Insurance is also a big deal.

Who runs your business?

My son Seth is now in charge and I don't do any lifting. Seth was in between semesters at SUNY New Paltz when an employee left and he decided to give the business a try. That was twenty years ago and now he's running things at the same age I was when I bought the place. His wife is our book-keeper. We have six full time employees who all get fully paid health care insurance. There are another 12 regulars who like to help out at the auctions.

What is it like having a small business in Copake?

I walk to work and the quality of life is great. Everyone knows me. I always wanted to live in a small town. At Dad's Diner they serve me Fallon



fries when I come in. This is still a farming community with a great work ethic. There's a willing work force, and lots of good honest people, antique dealers, and second homebuyers.

What don't people know about the auction business and what is the key to success?

People never understand the work that happens before an auction getting everything priced, catalogued, labeled and then the back-end job of shipping. Sometimes they ask me what we do after the auction: we're shipping and getting ready for the next one.

The key to success in this business is honesty, integrity, and professionalism. You must be passionate about your business. And you have to work hard. I work every Saturday and Sunday because that's when my customers are here. Most of our business now comes from recommendations. We don't even advertise in the phonebook anymore.

What is your advice to anyone starting a business?

Don't be undercapitalized. Avoid bad timing. We were lucky it was a good time to be in the auction business when we took over. Have contacts. And know the business you are going into. Become part of the community, and give back. As an example, we've raised over \$40,000 for St. Judes Hospital over the years. ●

Just as we were ending our conversation Mary Anne Fallon came in after a client visit. Another entrepreneur in the family, she is the founder and owner of EPA approved Goose-watchers, a non-lethal goose control company which uses trained border collies to chase Canadian geese away.