

Louisiana Auctioneers Licensing Board

11736 Newcastle Avenue, Bldg. 2, Suite C, Baton Rouge, LA 70816
(225) 295-8420
www.lalb.org

Auction Business Investigation
September 9, 2018

C&C Auction
114 Harrison Road
Reeves, Louisiana 70658
Donald Wayne Cauthron 1877

The active investigation into the above Auctioneer was transferred to me, Investigator Roger Phillips, on February 14, 2018.

I received the following items:

Complaint filed by Diane Rose on behalf of Mr. Allan Moore
A copy of a Demand Letter transmitted to Cauthron by Ms. Rose via Cauthron's email address; waynecauthron@yahoo.com.
Copies of Consignor Statements marked as Exhibits 2-6
Three (3) Consignment Contract and Settlement forms appearing to have been signed by Allan Moore, possibly on an unknown date in June 28 2017; marked as Exhibits 4b, 5a, and 5b.

On February 18th I reviewed the documents and corresponded with Ms. Dow regarding a subpoena for the needed records.

On March 17th, 2018 I travelled to C & C Auction located at 3029 Old Highway 13, Mamou, La 70554.

I took photographs of the building exterior, and the open air shelter attached to the front of the building on what appears to be the parking lot for the previous occupant's business.

I noted several tables lined up under the shelter with a wide array of items being viewed by the public.

I entered the structure through the front door and the majority of what I saw inside was high racks holding cages with live animals and birds. I obtained some photographs while inside before serving Cauthron with the subpoena.

I personally served Cauthron and explained the LALB had received a complaint concerning the Moore auction. Cauthron's response was something to the effect of "I knew I shouldn't have gotten involved in that."

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It is important to note that I have never had any contact with the complainant; Allan Moore. All information, with the exception of the sworn responses to Interrogatories received from Mr. Moore, was supplied by Ms. Rose.

The fact that I have never spoken with Mr. Moore limits my assessment of his interpretation of what has occurred, the totality of his loss, and unknown information that could have been gathered from interviews with Mr. Moore.

It has been reported by Ms. Rose that Cauthron informed Mr. Moore during their meeting(s) that all sales would be conducted online with a 10% commission. Of the items known to have been sold, only five (5) were actually sold on Proxibid

The majority of what I have been able to accomplish is based on review of records received, and the sworn responses from Mr. Moore.

Of significant note in the responses are the following:

Cauthron presented to Mr. Moore's home one afternoon and introduced himself. An unknown auctioneer of Cauthron told him about Mr. Moore. This was not at Mr. Moore's invitation.

Cauthron showed up late that afternoon, after 4:30, they walked through the house, barn, and viewed equipment. It was getting late and Cauthron had a clipboard with a contract on it, he told Mr. Moore he had 130 miles to drive and told him to sign and he would fill it out later.

"The one big mistake I made."

The following issues are noted in the review of records tendered by Cauthron in response to the Subpoena:

No responses were received for:

**Sales Tax Licenses
Sales Tax Records
Occupational Licenses
Motor Vehicle License
Federal Firearm License**

Records of Motor Vehicle titles transferred, and supporting documents

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Records of employees, to include other auctioneers, or support personnel

CONSIGNMENT CONTRACT AND SETTLEMENT

It should be noted that none of the “Contracts” have been signed by Cauthron, they only bear Mr. Moore’s signature.

Each of these documents has been altered in some fashion. Commission rates were changed, additional expenses were added. Notation on 5A has Check# 2228 \$3875.00 whereas the copy of the negotiated Check #2228 is \$4196.75.

These are just a few of the consistent errors noted throughout the entire file.

ITEMIZED LISTS

There is no Inventory of the items that were in Mr. Moore’s home prior to Cauthron taking possession of the properties to be sold.

The only records that exist are the Buyer Statements and Consignor Statements supplied to Mr. Moore along with the payments. These lists are deficient as they only give general Descriptions such as:

**Jars
yard tool
tools
tool box
cords
power tool
choice
everything
wench (Wrench or Winch?)**

It is alleged that numerous items were taken from Mr. Moore’s property and cannot be accounted for. Ms. Rose has provided a list of these items, however this cannot be verified due to the lack of an inventory. As a result of the lack of this documentation, the totality of the loss cannot be determined.

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VALUATION

Ms. Rose challenges the sale price of the items sold on Proxibid. Unfortunately, there were no reserves placed on any of these items, and they were sold to the highest bidders.

CONFLICT

There are three Buyer Statements that were received, one each for the dates:

July 22, 2017

This shows four (4) entries with Mr. Moore's Lot#99

August 5, 2017

This shows one entry with Mr. Moore's Lot#99

September 9, 2017

This shows one entry with Mr. Moore's Lot#99

These items were among numerous other purchases from other consignees, the Winning Bidder is identified as #100 Wayne Cauthron.

UNAUTHORIZED USE OF PROPERTY

Ms. Rose reports that Cauthron did not return the key to Mr. Moore's home until September 16, 2017. It is also reported a waterbed was left in the house as it had no value at an auction.

A cleaning crew arrived at some time after the key was surrendered, on entering the Moore home, they found Cauthron nude, in the company of a woman.

These facts as reported cannot be verified.

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FIREARMS

18 U.S.C. § 923(a): ENGAGING IN THE BUSINESS OF DEALING IN FIREARMS (Auctioneers)

Numerous firearms were sold during the Proxibid auction involved in this matter. None of these weapons were the property of Mr. Moore. Cauthron does not possess a Federal Firearms License, and per ATF, if an auctioneer takes possession of a firearm for the purpose of selling it at auction he must have a FFL, or he must have the firearms sold by a licensed FFL dealer.

Although this is not part of the instant investigation, it does go to competency. I questioned Cauthron about the firearms sold by him online. He responded he obtained them from three (3) separate consignors. He took possession of all of the weapons. I asked if he uses a licensed FFL dealer and he responded that he uses two different FFL dealers, but only for firearms that are to be shipped.

SALES TAXES

Sales Tax Authority is Sabine Parish School Board, according to their records the following is the history of C&C Auction Company.

March 15, 2014 to September 30, 2014
C&C Auction Company
Taxes were remitted for the months of
April/May/June/July/August/September 2014
No activity follows...

June 8, 2015
C&C Auction files again
Taxes remitted for the months of June/July/August 2015.
Cauthron reports the business closed during October 2015

2016
No Activity

March 15, 2017
C&C Auction files again

No remittance was made between March and September 2017

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Cauthron was called in as a result of the failure to make returns. He informs the Sales Tax office that he is only doing occasional sales on the internet. As a result, they zero his tax liability.

At the direction of Ms. Dow, I have notified the Allen Parish School Board of the fact that C&C is holding weekly auctions at the location in Mamou. Their intent is to contact the Allen Parish District Attorney for guidance.

CONCLUSION

From what I have reviewed I believe the following violations have been done by Cauthron.

LRS Title 46

1121.A.4

Efforts to deceive or defraud the public

1121.A.5

Incompetency or gross negligence

1121.A.13

**Failure to comply with all local, city, parish/county, or state laws.
(Sales taxes)**

Failure to obtain and maintain an Escrow Account for the business.

Respectfully submitted:

Roger M. Phillips