



Louisiana

Office of the Governor  
Auctioneers Licensing Board

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Baton Rouge, LA 70816

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**AUCTIONEER CONSUMER COMPLAINT FORM**

**THIS FORM IS TO BE USED IF YOU ARE FILING A COMPLAINT AGAINST A LICENSED AUCTIONEER BECAUSE HE OR SHE HAS VIOLATED A STATUTE, RULE OR ORDINANCE. PLEASE FILL OUT THE FORM AND RETURN IT TO THE ADDRESS STATED ON THE FORM.**

**THIS COMPLAINT IS FILED AGAINST THE INDIVIDUAL/BUSINESS BELOW:**

AUCTIONEER'S NAME: Marlo Schmidt

LICENSE # (if known): 1594

ADDRESS: 2674 Highway 394, DeRidder, LA 70634-7640

PHONE NUMBER(S): 337-463-8251

COMPANY NAME: \_\_\_\_\_

PHONE NUMBER(S): Southwest Auction Company, LLC (337-463-8251)

**PLEASE STATE THE EXACT NATURE OF YOUR COMPLAINT INCLUDING DATES.**

Give as much detail as possible. You may attach a separate sheet if necessary.

At a civil trial in DeRidder, LA on October 29, 2014, Mr. Schmidt, under  
affirmation, stated: "Ms. Story engaged in shill bidding, which is illegal."  
Therefore, by Mr. Schmidt's own affirmed testimony, he stated that he  
knowingly permitted shill bidding to transpire, which is a violation of  
LA Auction Statute 3129. Furthermore, Mr. Gordon Jenkins stated  
on the witness stand, under oath, that he did NOT agree to, nor even  
negotiate with, Mr. Richard Schmidt, to acquire my Roberts street  
property upon any successful high bid by Mr. Richard Schmidt. Mr. Jenkins  
testified that he "bid on the property myself and dropped out once it got  
past my stopping point." Therefore, Mr. Marlo Schmidt permitted his  
nephew to serve as a shill bidder, and he testified falsely in that regard  
at an LALB hearing on September 10, 2013. (continued)

MO-1

**COMPLAINANT INFORMATION:**

NAME: Mr. Betty Jo Story

ADDRESS: 209 Broad Street, DeRidder, LA 70634-3837

PHONE NUMBERS: HOME 33-202-7033 WORK (cell) 337-396-4655

**DID YOU HAVE A WRITTEN CONTRACT WITH THE AUCTIONEER?**

YES  NO

If yes, attach copy of contract.

**ATTEMPTS TO RESOLVE THE PROBLEM:**

What attempts, (if any) have been made to resolve this complaint prior to filing with the board?

(see attached document). Mr. Schmidt adamantly refused to negotiate with me after the 9/10/13 LALB hearing. Judge O'Neal even asked if he'd made made effort to settle, and he said, "no." Thus, we had a civil trial on 10/29/14.

Date of demand letter(s) (if any) asking for refund or other demand: LALB (Jacobs) instructed 9/10/13.  
(Attach copies of any correspondence)

Date of formal complaint (if any) filed in any court: Trial conducted 10/29/14 (see attached)  
(Attach copies of documents)

Response (if any) by Auctioneer or Business: Will pay judgment of 10/29/14 but I'm still out.  
(Attach copies of any correspondence)

Are you willing to appear before the Board at a formal hearing on this matter? YES  NO

Filling out this form with as much information as is known will expedite the investigation of your complaint.

Please sign this document and mail it along with copies of supporting documents.

The complainant states that he/she is the complainant in the foregoing complaint and that all of the allegations contained therein are true and correct to the best of Complainant's knowledge, information and belief.

Betty Jo Story  
COMPLAINANT'S SIGNATURE

November 4, 2014

DATE

Continuation of LALB complaint of Betty Story against Marlo Schmidt dated November 4, 2014:

Mr. Schmidt's false testimony before the LALB on September 10, 2013 is a violation of Louisiana Auction Statute 3121(A)(3). Furthermore, as I testified to under oath at the LALB hearing on September 10, 2013, I was not making an attempt to bid on my prized items for which I wanted to set reserves (which Mr. Schmidt refused to permit me to do) but instead was merely indicating (with a scissor-like motion with my hands) that I would not accept the high bid which he had attained. Mr. Schmidt took it upon himself to insert me as a high bidder both against my wishes and in violation of Louisiana's shill bidding laws.

Because Mr. Schmidt and I reside in a relatively small community, most bidders were likely aware of my identity as owner of the prized items on which Mr. Schmidt inserted me as a bidder. The result was that bidders were aware that shill bidding was transpiring, and several auctioneers, including Rev. Freddie Lee Phillips and Mr. Robert Burns (a long-time real estate auctioneer) have informed me that, when the bidding public is aware that shill bidding is transpiring, the impact upon the auction's results is devastating.

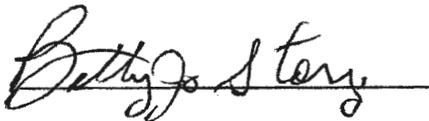
At the civil proceeding, Judge O'Neal wasted no time in awarding me approximately \$4,109 plus my court costs based solely upon what I was charged to buy my own items back from Mr. Schmidt. She indicated, however, that her action was merely to adequately provide redress for me from the actual results of the auction and not to address any impacts upon my auction from auction statute violations which may have transpired. Judge O'Neal did indicate, however, that evidence from testimony was pretty strong that Mr. Richard Schmidt did in fact serve as a shill bidder and that, by Mr. Marlo Schmidt's own affirmed testimony, he put me in the position (against my wishes) of being a shill bidder.

The fact that Mr. Schmidt remitted \$17,500 to me on January 1, 2013 (well over 60 days after he'd first advanced \$25,000) to complete the purchase of my Roberts Street home is compelling evidence that Mr. Schmidt had promised me a result of \$42,500 for that home. I want this complaint to also include the fact that, in addition to promising me \$42,500 for my Roberts Street house, he also promised me \$68,000 for my Broad Street home (my personal residence). Mr. Schmidt did not purchase my Broad Street home after the auction as he'd promised to do. Therefore, Mr. Schmidt violated Louisiana Auction Statute 3121(A)(4) in that he made a concerted effort to deceive me in promising I would attain \$42,500 for my Roberts street home (which he ultimately honored under direct threat of legal action after he'd advanced \$25,000 in October of 2012 but dragged his heels on remitting the other \$17,500 until January 1, 2013) and \$68,000 for my Broad Street home.

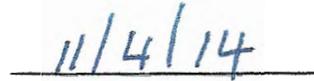
Based on Mr. Schmidt's assurances, I moved into an assisted living facility in Alexandria, only to have to remit \$1,500 to that facility for my three-night stay after I informed them I had no choice but to return to my Broad Street home once I was informed that Mr. Schmidt would not honor his promise to me of purchasing the home for \$68,000 if it failed to sell at auction.

I contend that my remaining damages after Judge O'Neal's judgment against Mr. Schmidt approximate \$3,250. The figure is derived from taking the approximate purchases of other bidders at my auction of \$5,800 and using a very conservative impact of shill bidding to have deflated those results by 30%. Thus,  $0.30 \times \$5,800 = \$1,740$ . The \$1,500 I remitted to the assisted living facility based upon Mr. Schmidt's deceit of me regarding the Broad Street property are unequivocal damages I incurred directly from Mr. Schmidt's deceit.

What I am therefore seeking is a hearing for Mr. Schmidt to be charged with three auction violations: 3129, 3121(A)(3), and 3121(A)(4). These violations emanate from either sworn or affirmed testimony at my civil trial against Mr. Schmidt which transpired on October 29, 2014 and which the LALB did not have the benefit of at the September 10, 2013 hearing. Clearly, the trial revealed auction statute violations for which Mr. Schmidt was not even alleged to have violated in the initial hearing. Upon a hearing and Mr. Schmidt being found guilty of multiple auction statute violations, I seek for the LALB to initiate a bond claim as I am informed it has done for Mr. David Swift (with whom I have spoken), and Mr. Brant Thompson, who happens to be the son of State Senator Francis Thompson and is a gentleman for whom I'm told the LALB "closed" an investigation (finding no auctioneer wrongdoing), only to "reopen" the investigation upon receipt of a letter from Mr. Thompson relaying his dismay at the LALB's action.



Betty Jo Story



Date