



**POLICY
&
PROCEDURES**

EFFECTIVE MAY 1, 2010



AKRON AUTO AUCTION

2471 Ley Dr.

Akron, Ohio 44319

(330) 773.8245 * Fax (330) 773.1641

WWW.AKRONAUTOAUCTION.COM

DEALER SALE

EVERY TUESDAY 10:00 AM

ON-LINE SALE

EVERY TUESDAY 10:00 AM

REPO SALE

1st & 3rd THURSDAY 12:00 PM

WWW.AKRONAUTOAUCTION.COM

Table of Contents

General Arbitration Policies...	1 - 3
Sale Light System...	3
Seller Responsibilities...	4 - 5
Buyer Responsibilities...	6 - 7
Title Arbitration Policy...	7 - 10
AAA Disclosure Requirements... Time Periods for Buyer Discovery	12
AAA Seller Requirements... or Can Be Arbitrated	13

General Arbitration Policies

- 1.** This Auction is for licensed dealers only. You must be a registered dealer to buy and/or sell vehicles.
- 2.** The Akron Auto Auction makes no representations or guarantees as to the description, equipment history, warranties, service policy, title status/accuracy of the odometer on any vehicle sold or offered for sale. The Akron Auto Auction does not guarantee or get involved in any factory or dealer warranty coverage issues on vehicles sold or offered for sale at the Akron Auto Auction.
- 3.** The sales at the Akron Auto Auction are intended to promote fair and ethical treatment to both the Buyer and Seller. If the Akron Auto Auction determines that the transaction is not fair and ethical to either party, the Seller and Buyer agree that the Akron Auto Auction may cancel the sale, at its sole discretion.
- 4.** **The decision of the Arbitration Department is final and binding on both the Buyer and Seller.** The Akron Auto Auction reserves the right to assess an arbitration fee to the Buyer if an arbitrated claim is deemed not valid or too frivolous. Any arbitration must be properly documented in writing and signed by the arbitrator. If the arbitration is valid, the Akron Auto Auction reserves the right to assess an arbitration fee to the Seller if they knowingly omitted an announcement. This fee is in addition to any changes associated with the arbitration procedure; such as check out fees at a specialty shop or transportation costs to and from a garage, etc.
- 5.** The Akron Auto Auction is not a party to the contract of the sale. The sales contract is between the Seller and Buyer only. The Seller is required by the Motor Vehicle Information and Cost Savings Act of 1972 as amended, or other applicable laws. The Akron Auto Auction is not responsible and does not guarantee the accuracy of odometer readings, odometer statements or damage disclosure statements.
- 6.** **Any vehicle sold "AS IS" or any vehicle sold for \$2000 or less is NOT subject to mechanical arbitration. NO EXCEPTIONS.**
- 7.** "IF" sales are binding on the buyer for one (1) hour past the time of sale. Bids not approved by the seller within one (1) hour or counter offers, are not binding on the buyer.
- 8.** All vehicles are consigned at the owners risk. The auction is NOT liable for theft or damage to any vehicle left at the auction. Sellers are advised to remove personal property, cellular phones, radio face plates, etc., from their vehicles prior to checking in their vehicles.
- 9.** The Auction reserves the right to reject any vehicle that management judges to be unsafe.
- 10.** The Auction reserves the right to review any audio/video documentation for verifying accuracy of the sale.

General Arbitration Policies

- 11.** “SOLD OFF BLOCK SALES”
 - a. Any sale in which the Auctioneer does not state the selling price of the vehicle or “sell under the hammer” is considered a “SOLD OFF BLOCK SALE”.
 - b. All “SOLD OFF BLOCK SALES” are conditional until the Buyer pays for the vehicle. Up until the time of payment, the sale is not binding on either party.
 - c. Once a “SOLD OFF BLOCK SALE” has been paid for, the vehicle becomes “AS-IS” property of the Buyer. Buyer needs to check “SOLD OFF BLOCK SALE” vehicles very carefully before purchasing, since they cannot be arbitrated for any reason, including frame/unibody damage. Vehicles sold immediately after crossing the block are still subject to the announced conditions noted on the Akron Auto Auction Block Ticket.
 - d. All vehicles bought or sold on the premises must be processed through the Akron Auto Auction Office. Failure to do so WILL result in suspension of buying and selling privileges at the Akron Auto Auction.
 - e. Sellers may guarantee any Sold Off Block Sales, however, they must do so in writing.
- 12.** All vehicles consigned must have a public Vehicle Identification Number (VIN) plate attached to the vehicle. Those vehicles having a reassigned VIN plate by the State in place of the original VIN plate must be announced or will be subject to sale cancellation or Buyer return. The Akron Auto Auction reserves the right to refuse the sale of any vehicle in which the VIN plate appears to be altered in any way.
- 13.** All guarantees as stated by the Seller are those of the Seller only. The Akron Auto Auction does not make any guarantees, expressed or implied. The Akron Auto Auction assumes no responsibility for vehicle record books, service records, warranty vehicles or history.
- 14.** The Akron Auto Auction does not guarantee information listed in Electronic Data Vehicle Histories (i.e., CarFax, AutoCheck, etc.) and may not arbitrate solely on EDVH data.
- 15.** The Akron Auto Auction does not guarantee any warranty books, plates or the year of kit vehicles, trailers, motorcycles, watercraft, recreational vehicles, vehicle over 20 years old, homemade (Ohio state regulations). All of those vehicles are sold “AS-IS” (unless approval by management) and have no odometer or frame guarantee. The Akron Auto Auction does not guarantee titles on watercraft.
- 16.** Standard transmissions cannot be arbitrated for manual clutches unless completely inoperative.

General Arbitration Policies

- 17.** Engines/Rear End--No arbitration on noises that are inherent or typical to a particular model or manufacturer, unless deemed “excessive” by the arbitrator on non-warranty items.
- 18.** All mechanical arbitration ends after 5:00 PM Day of Sale, unless there is a pending Post Sale Inspection (PSI). Tomorrow is too late. It is the Akron Auto Auction’s responsibility to inform the Seller of any pending PSI or arbitration resulting from the same day.
- 19.** Manufacturer’s Warranty: The availability of a manufacturer’s warranty shall not affect a Buyer’s right to arbitrate a vehicle.
- 20.** The arbitrator will inspect only the defect(s) which are on the arbitration form. Each vehicle is allowed one chance at mechanical arbitration. If price adjustment is made and accepted, vehicle becomes “AS-IS” and property of Buyer, and is NOT subject to any further arbitration for mechanical defects or adjustments. The decision of the arbitrator is final, and binding to both Buyer and Seller.
- 21.** *A vehicle must be paid for before it may be arbitrated.*
- 22.** All PSI’s must be requested within one (1) hour from time of purchase. They are guaranteed until the close of business on the Friday week of sale, however, the vehicle must be present to qualify.

Sale Light System

- 1.** The Akron Auto Auction has a standardized light system to describe the condition and/or announcements related to the vehicle being sold. The light system is defined as:
 - a. **GREEN LIGHT--“Ride & Drive”:** The green light signals that this vehicle is guaranteed under the conditions outlined in the Sale Day, Seven Day and As-Is Arbitration section, except for specific announcements made prior to the sale.
 - b. **YELLOW LIGHT--“Announcements”:** This light is an indication to the Buyer that the Auctioneer or Selling Representative has made announcements that qualify the condition and limit arbitration of this vehicle.
 - d. **RED LIGHT--“AS-IS”:** Vehicles selling under the red light will qualify only for arbitration under the rules outlined in the Sale Day, Seven Day and As-Is Arbitration section. All vehicles sold under \$2000 are **RED LIGHT**.

Sale Light System

- d. **WHITE LIGHT--"TITLE ATTACHED"**: This light is used to announce that the title is not present at the time of sale. For Akron Auto Auction rules regarding titles, please refer to the Title Arbitration Policy section. If title is not announced as being present--assume the vehicle is title attached.
2. The Seller understands that the sale lights are a binding representation of vehicle condition and is therefore responsible for ensuring that their vehicles sell under the correct light in the lane.
 3. The Buyer is responsible for listening to announcements related to the vehicle made by the Auctioneer or Selling Representative, prior to the start of the sale for each vehicle. The Buyer is also responsible to observe and understand the sale lights (Green, Yellow, Red and White), which identify various sale conditions for each vehicle. **Coming in late to bid on a vehicle and not hearing/seeing the announcements is not grounds for arbitration or for turning down a vehicle.**

Seller Responsibilities

1. Seller will be held responsible for the accuracy of any representations (verbal or written) made by Seller or Auctioneer at the time of sale--independent of vehicle "light" designation or guarantee offered. This includes year, model, mileage, announced conditions and the corresponding lights under which the vehicle is being sold.
2. Mileage announcements are not required on vehicles that are deemed exempt from Federal/State Odometer and Title disclosure laws unless a mileage discrepancy is known or apparent to the Seller. The Seller may represent miles on exempt vehicles--any statement made by the Seller and all known odometer discrepancies are grounds for arbitration.
3. The Seller is responsible for reimbursement of all reasonable documented expenses incurred by the Buyer (excluding profit, commissions and detail charges) on vehicles arbitrated for unannounced conditions not detectable through vehicle inspection (i.e. stolen vehicle, odometer, title discrepancy, frame damage, flood damage, manufacturer buyback, etc). Expense reimbursements will be at the sole discretion of the Akron Auto Auction and will, at times be limited to reasonable and documented expenses and transportation only.
4. The Seller has the responsibility to announce any known state or local DMV fees, taxes or other fees over \$100 due on the vehicle (if required by state).

Seller Responsibilities

4. Title Discrepancies must be announced including, rebuilt salvage, salvage disclosure statements [if required by state], previous salvage, theft recovery, not actual miles, (previously TMU), odometer replacements, flood/fire history, and Lemon Law buy backs.
5. All titles submitted must be in the Seller's name or include documentation of the legal right to sell the vehicle. It is the Seller's responsibility to ensure that a sold vehicle's title is **negotiable in the state of Ohio** and that the title is clear of all liens and encumbrances.
6. Seller is responsible for correct VIN numbers on titles and vehicles. All vehicles registered at the Akron Auto Auction are subject to inspection by the FBI, State Police, National Auto Theft Bureau, and Local Police Authorities.
7. Seller shall be solely responsible for repurchase of any vehicle sold through the Akron Auto Auction found to be stolen prior to date of sale.
8. Seller has the responsibility to produce a negotiable/marketable title to the Akron Auto Auction within a maximum of ten (10) working days of the date of the sale [Sale Date is day one (1)] or vehicle may be returned. Seller will be responsible for the Sale Fee of any returned vehicle due to an unannounced condition or T/A return.
9. Reserved numbers that are not cancelled by 11:00 AM on Monday prior to the sale will be charged an additional \$25.00 "No Show Fee" per unit. Vehicles that are not here and registered by time of the sale will also be charged an additional \$15.00 per vehicle. \$50.00 will be charged for all sellers who acquire cancellation numbers on Sale Day versus reserving numbers prior to the sale.
10. All multipurpose and utility-type vehicles are assumed to be 4x2 unless otherwise announced. However, if a 4x2 multipurpose, utility-type vehicle or pickup has been altered in appearance or stance to resemble a 4x4, a 4x2 announcement will be required. Examples include: new badges, raised suspension, and off-road tires.

See mandatory Seller Disclosure Requirements pages 12 and 13.

Buyer Responsibilities

- 1.** Buyer will inspect the vehicle prior to and immediately following the sale. The Buyer must verify the Seller's representations and notify the Akron Auto Auction immediately of any discrepancies within the time frame as stated in this arbitration policy. Buyer will verify odometer reading and operation before leaving the Akron Auto Auction. Mileage must be the same as it was when it left the Akron Auto Auction if arbitrated for inoperable odometer.
- 2.** The Buyer will follow the Auctioneer's cadence on price--any misunderstanding concerning price must be addressed at the drop of the Auctioneer's hammer (*not following the sale of the vehicle*).
- 3.** The Buyer will inform the Akron Auto Auction immediately of any discrepancies as to Seller's representations, warranties and descriptions. Arbitration will be limited to the specific defects as described by the Buyer upon placing the vehicle in arbitration. **Frame damage must be marked when being arbitrated.**
- 4.** Buyer guarantees sufficient funds are available and will remain on deposit at Buyer's bank to cover all checks and drafts. Until payment and receipt of title, the Buyer shall acquire neither title to the vehicle nor any right to sell or offer for sale.
- 5.** Buyer will pay the bid price plus a Buyer's Fee and draft fees (if applicable). Payment by means other than draft must be made on day of sale. Floor Plan payments must be established on the day of sale.
- 6.** Buyer agrees to be liable for any and all work done to a vehicle prior to returning the vehicle to the Akron Auto Auction except on vehicles arbitrated for unannounced conditions not detectable through vehicle inspection (i.e. stolen vehicle, odometer, title discrepancy--does not include title attached).
- 7.** Buyers should thoroughly check and test drive every vehicle. If there is a problem, a complaint must be properly filed with the Arbitration Office within the established arbitration time limit. The Buyer assumes responsibility for mechanical failure after leaving the Auction once the arbitration period is over.
- 8.** It is the Buyer's responsibility to watch lights and listen to announced conditions before placing bids. Once the vehicle is sold the Buyer should check the Block Ticket to confirm the vehicle price and announcements are correct before legibly printing and signing their name to the Block Ticket. The Akron Auto Auction will not arbitrate defects visible from the block or announced conditions.

Buyer Responsibilities

- 9.** Mileage, year and other information written on the window of sale vehicles or in the Akron Auto Auction catalogs is for the convenience of the Buyer and IS NOT TO BE RELIED UPON AS ACCURATE OR COMPLETE. Buyers should satisfy themselves as to year, mileage and/or equipment by viewing the actual vehicle prior to bidding. **The Akron Auto Auction will not arbitrate vehicles based on incorrect information written on a vehicle or in the catalog.**
- 10.** The Buyer is responsible for any pending sale from arbitration.
- 11.** It is strongly recommended for all buyers to have a Post Sale Inspection (PSI) on any vehicle purchased. Normal arbitration time periods do apply to On-Line purchases.
- 12.** Purchased vehicles left on lot after five (5) days are subject to charges of \$10.00 per vehicle, per day from time and date of purchase. Any vehicle left on the lot for fourteen (14) days will be considered abandoned and sold for storage.
- 13.** Unless a Buyer has obtained prior written approval from the Akron Auto Auction General Manager, Buyer's failing to pay for unit on sale day will be subject to a minimum late fee of \$50.00.

Title Arbitration Policy

- 1.** The Seller guarantees the title of vehicles that are sold through the Akron Auto Auction (non T/A). This guarantee of the title warrants that title shall be marketable and free & clear of all liens and encumbrances, including any brand (such as 'salvage') noted upon the current or any prior certificate of title unless such encumbrances were announced at the time the vehicle is sold through the Akron Auto Auction and for a period of four (4) years from the date of the Akron Auto Auction sale. The Akron Auto Auction's liability under this title guarantee shall never exceed the Akron Auto Auction sale price of the vehicle, and this maximum amount shall be reduced by two percent (2%) per month following the Akron Auto Auction sale date. All liability under this title guarantee shall expire and terminate forty-eight (48) months after the Akron Auto Auction sale. The Akron Auto Auction will not be responsible for any expenses incurred on vehicles returned for late title.
- 2.** All titles submitted by Seller must be in Seller's company name on title or on reassignment form or include documentation of the legal right to sell the vehicle.

Title Arbitration Policy

- 3.** Clerical Error--If the title problem is due to a clerical or coding error or incomplete documentation, the Akron Auto Auction shall be given reasonable time after receiving notice to have the error corrected.
- 4.** Procedure--Whenever any claim is made by any person against the title of a vehicle, whether by suit or otherwise, the Buyer, after becoming aware of said claim, shall immediately notify the Akron Auto Auction giving full particulars of the claim, and shall cooperate fully in defending any legal action in taking other steps to minimize possible loss.
- 5.** The Buyer shall not surrender possession of the vehicle, except as required by legal process, to any claimant, nor shall Buyer voluntarily pay or acknowledge the validity of any claim, without the prior approval of the Akron Auto Auction. Time is of the essence. Any failure on the part of the Buyer to notify the Auction of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve the Akron Auto Auction of any liability under this policy.
- 6.** Seller and Buyer agree that Akron Auto Auction is neither responsible for odometer mileage on the consigned vehicle nor the information contained in the odometer mileage statement and the damage disclosure statement which the Seller as Transferor is required to complete and sign, and Buyer as Transferee is required to acknowledge.
- 7.** In regard to defect in title and any matter relating to odometer mileage, odometer statements or damage disclosure statements: Seller and Buyer agree to indemnify and hold harmless the Akron Auto Auction from any liability, loss cost, damage or expense, including attorney fees which may arise either directly or indirectly from the sale and purchase of the consigned vehicle including but not limited to title services provided.
- 8.** Any sale without proper documents and not sold under the proper light(s) is subject to rejection.
- 9.** Title must be reassigned directly to Buyer. No title assigned directly to the Akron Auto Auction will be accepted.
- 10.** Non-titled vehicles--Akron Auto Auction accepts no responsibility for non-titled vehicles sold without title. Seller must announce the vehicle being sold with a bill of sale and that there is no title to transfer.
- 11.** All non-titled vehicles and equipment will be sold "AS-IS".

Title Arbitration Policy

- 12.** SELLER will NOT be paid for vehicles until a transferable title is received.
- 13.** SELLER will NOT be paid for vehicles in arbitration unless or until arbitration is settled and vehicle(s) is sold.
- 14.** Foreign titles, such as Canadian titles, are unacceptable.
- 15.** Seller's Title Guarantee: The Seller warrants, represents and guarantees that he/she has and will convey a certificate of title, properly executed, valid in the state where the transaction is occurring and clear of all liens and encumbrances and that he will warrant and defend the title against claims and demands of all persons whatsoever.
- 16.** Applications for duplicate title will not be accepted.
- 17.** Seller has up to a maximum of ten (10) business days for the title to be received by the Akron Auto Auction [sale day is day one (1)].
- 18.** After the tenth (10th) business day period, it is the Buyer's option to return the vehicle or to wait a reasonable period of time for the title. After that time frame, whichever PHYSICALLY arrives first will be the decision (the title from the Seller or the vehicle from the Buyer). NO EXCEPTIONS.
- 19.** Anyone not having a properly assigned title or reassignment to transfer a title at time of sale must sell "Title Attached".
- 20.** Vehicles lacking lien release must be sold "Title Attached".
- 21.** Any vehicle that is on an MSO must be announced.
- 22.** The Buyer is cautioned not to sell or make repairs on the vehicle until the title is received. If title has been mailed from the Akron Auto Auction to the Buyer, Buyer may NOT return vehicle. Buyer is required to notify Akron Auto Auction one (1) business day before returning vehicle. This does not mean that you have brought vehicle back, rather it enables Akron Auto Auction time to verify records and properly begin paperwork process.
- 23.** Just because a vehicle is returned to the Akron Auto Auction does not mean that deal is cancelled. The vehicle must be received and inspected by the Akron Auto Auction management before the Buyer is out of the deal. Any vehicle returned must be in the same or better condition as when sold. A detailed description of the problem needs to be documented and addressed to arbitrator.

Title Arbitration Policy

- 24.** Any and all “Title Brands” which may affect a vehicle’s value must be announced. Some “Title Brands” include, but are not limited to: Lemon Law, Rental/For Hire, Reconstructed, Stolen Vehicle and Insurance Transfers. Unannounced Theft Recovery as a result of a repossession (in error) is not grounds for arbitration.
- 25.** Seller will be responsible for the buyer’s fee on any vehicle returned for “no title”. There may be a charge of \$0.10 per mile for excessive mileage on a returned vehicle (at the discretion of the Akron Auto Auction).
- 26.** Titles received after ten (10) business days will be subject to a late title fee. All expenses to obtain the title will be charged to the Seller.
- 27.** Akron Auto Auction will not be responsible for titles mailed from Akron Auto Auction and NOT received. Buyer has the choice of alternative delivery method and will pay Akron Auto Auction cost as well as cost for duplicate title.
- 28.** Applications for duplicate title will not be accepted.

Sale Day, Seven Day & As-Is Arbitration

Vehicles that have any of the following defects, conditions or discrepancies that were not disclosed or announced at the time of the sale must be reported to the Akron Auto Auction within the time frame noted below in order to be eligible for arbitration. Any single mechanical defect that has a repair cost of \$500 or more may be arbitrated on Green Light vehicles (repair cost will be determined and posted by the Akron Auto Auction). Single defects of less than \$500 are deemed minor and cannot be arbitrated. Vehicles must be returned to the Akron Auto Auction in the same or better condition than when purchased. Expense reimbursements will be at the sole discretion of the Auction and will be limited to reasonable and documented expenses. Lost profit, commissions, floor plan expenses and etc., will not be reimbursed.

The arbitration periods end at the close of business on SALE DAY, unless there is a pending Post Sale Inspection (PSI). The Akron Auto Auction follows the National Automobile Auction Association’s Recommended Structural Damage Policy (Copy Available Upon Request). Refer to the table on pages 12 and 13 for arbitration time periods for undisclosed defects.

The Akron Auto Auction is not in the litigation business. An indemnification clause is included in each and every purchase agreement regarding vehicles sold at the Akron Auto Auction. The Akron Auto Auction will not become embroiled in disputes regarding the sale of vehicles at the Akron Auto Auction except as provided in arbitration (or PSI) provisions of the Rules and Regulations. Please review the Purchase Agreement prior to sale or purchase, a copy of which will be furnished upon request.

Member:

National Independent Automobile Dealers Association
National Auto Auction Association
Midwest Auto Auction Association
Ohio Independent Automobile Dealers Association
Automobile Dealers Association of Eastern Ohio
Stark County Automobile Dealers Association
Independent Owners Auction Twenty-Group
Greater Cleveland Automobile Dealers Association
Akron Automobile Dealers Association
Auto Check

Thank you for attending the Akron Auto Auction and abiding by our rules. We believe that these rules are fair and just. They enable us to operate a proper and honest automobile auction for all. Copies of the National Automobile Auction Association Arbitration Policies as well as the National Automobile Auction Association Structural Damage Policy are available upon request. If you ever have any questions or comments concerning the operation of our sale, we are always willing to listen. After all, we are here to serve you.

Thank you,

Chad M. Bailey
President
Akron Auto Auction

