

# **DAA OF ALASKA ARBITRATION POLICY**

**In-Lane and Online**

**EFFECTIVE DATE:  
May 17, 2017**

# Arbitration Policy

Effective Date: May 17, 2017

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## I. General Policies:

### 1. Fair and Ethical Sale

The sales made at an Auction are intended to promote fair and ethical treatment to both the Buyer and Seller. If Auction determines that the transaction is not fair and ethical to either party, the Seller and the Buyer agree that Auction may cancel the sale, at its sole discretion. Federal, State, and Local laws supersede these policies where applicable.

### 2. Auction Role in Sale:

- a. Auction makes no representations or guarantees on any vehicle sold or offered for sale.
- b. Auction is not a party to the contract of the sale. The sales contract is between the Seller and Buyer only.
- c. All vehicles bought or sold on the premises must be processed through the Auction office. Failure to do so will result in suspension of trading privileges at Auction.
- d. Auction reserves the right to review any audio/video documentation to verify the accuracy of a sale.
- e. Any vehicle consigned with the Auction is subject to government inspection, with or without prior notice, by the FBI, State Police, National Auto Theft Bureau, Local Police Authorities, any other governmental agency, or quasi-governmental agency.

### 3. Auction VIN Policies

All vehicles consigned must have a visible public Vehicle Identification Number (VIN) plate attached to the vehicle by the manufacturer or state inspector (state reassigned VIN only). 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. Auction reserves the right to refuse the sale of any vehicle in which the VIN plate appears to be altered in any way.

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## II. Sale Light System:

Auction has a standard light/video display system to describe the condition and/or disclosures related to the vehicle being sold. The system is defined as:

- 1. Green Light –Ride and Drive/Guarantee:** The green light signals that this vehicle is guaranteed under the conditions outlined in this policy by the Seller. Any defects or issues requiring disclosure per this policy should be announced using the green and yellow lights.
- 2. Yellow Light-Caution:** This light is an indication to the Buyer that the Auctioneer or Selling Representative has made announcements that qualify/clarify the condition or equipment and limit arbitration of this vehicle.
- 3. Red Light – As-Is:** Vehicles selling under the red light **are not eligible** for mechanical arbitration. Red Light vehicles selling for \$2,000.00 or more will qualify for frame/structural damage arbitration, unless otherwise announced.
- 4. Blue Light-Title Absent:** This light is used to announce that the title is not present at DAA of Alaska at the time of sale. For Auction rules regarding titles, please refer to the Title Arbitration Policy section.
- 5. White Light-Limited Drivetrain Guarantee:** The white light signals that this vehicle is being offered with a "Limited Drivetrain Guarantee" only. The covered drivetrain components consist of the transmission, transfer case, and differentials. The engine **is not** a covered component. Please refer to the clarification section at the bottom of this page regarding the Limited Drivetrain Guarantee.

Guarantee Type/Light Legend			
Announcements:	Light Usage		
	Green	White	Red
Guaranteed	✓		
<i>Limited Drivetrain Guarantee only</i>		✓	
<i>As-is, No Mechanical Arbitration</i>			✓

\*All mechanical arbitrations are subject to a \$500 per **singular** defect threshold\*

### Vehicles sold with a "Limited Drivetrain Guarantee"

DAA's "Limited Drivetrain Guarantee" was designed to give a basic level of protection to Buyers who cannot test drive older/higher mileage vehicles on the auction lot. This guarantee does not include the engine, since the Buyer has the ability to start the vehicle and listen to the engine. Vehicles sold under this description should have operable transmissions, transfer cases, and differentials, but may have worn parts or components. Any drivetrain component failure or condition that requires immediate repair would be subject to arbitration where a **single** component has a cost of \$500 or more to repair. Component noises and harsh shift engagements will only be arbitrated in extreme conditions where the auction believes the condition is excessive for the model year and mileage on the vehicle. Service engine lights will only be arbitrated if the underlying cause is deemed to be a covered component. Oil leaks cannot be arbitrated. Manual transmissions may be arbitrated; however clutches and their wearable parts may be worn and near end of life. Although the clutch may be worn, it must not slip on a test drive.

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## III. Seller Responsibilities:

1. Seller will be held responsible for the accuracy and completeness of all representations or descriptions. This includes handouts, catalogues, vehicle markings, condition information or vehicle listings, and verbal or written statements made by Seller, Auction, Auctioneer, or Selling Representative at the time of sale. This includes the condition report written by or on behalf of the Seller as per the "NAAA Generic Condition Report Position Statement". The Seller understands that the sale light/video display is a binding arbitration representation of vehicle condition, and is therefore responsible for ensuring that their vehicles sell under the correct light in the lane. Corrections to vehicle description and announcements can change up until the time the vehicle crosses the auction block. It is the Buyers responsibility to listen to all current announcements.
2. Mileage announcements are required for all vehicles. Unknown miles, exempt title, reconstruct, salvage, flood, and any other material title brands must be announced. Theft recover history, lemon law buyback history, and trade assist history must also be declared.
3. Announcements are required for any matters that relate to the safety or integrity of the vehicle including as per the stated dollar threshold and disclosure requirements stated in this policy, all requirements under local, state or federal statutes or regulations. Announcements must be made both verbally and disclosed on the Auction invoice/sale contract/bill of sale or equivalent document in a physical or online auction environment.
4. The announcement of the presence of warning lights does not exempt a Seller from arbitration responsibilities as defined by the policy. The issue/defect found to be the cause of the light may be arbitrated within the stated time period and dollar amount threshold according to Appendix 1.
5. The availability of a manufacturer's warranty shall not affect a Buyer's right to arbitrate a vehicle. Regardless of the warranty coverage in terms of the root cause of the complaint, an announcement may be required.
6. In the event of a successful arbitration by the Buyer, the Seller is responsible for reimbursement of all reasonable documented expenses incurred by the Buyer (excluding profit and commissions) on vehicles arbitrated for undisclosed conditions. Reimbursements that qualify under these guidelines will be at the sole discretion of the Auction and will be limited to reasonable and documented expenses. There will be no expense reimbursements to the Buyer on mechanical arbitrations that are requested during the "Ride and Drive" time period, which ends at 5pm the next business day after sale. Seller will also be responsible for the Auction's arbitration fee and diagnostic expenses.
7. Seller will not be paid for vehicles in arbitration until arbitration is settled and vehicles are sold. For arbitrations occurring after the Seller has been paid, Seller is required to promptly return the payment to the Auction if the transaction is voided as a result of arbitration.
8. It is highly recommended that the Seller complete a formal consignment form listing description, declarations, and floor price. Auction will not be liable for misunderstandings and errors, including selling a vehicle below the floor price, where Seller gave only verbal instruction to the auction.

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## iv. Buyer Responsibilities:

1. Prior to placing bids, the Buyer is responsible for inspecting the vehicle, listening to and reviewing any verbal or written announcements and disclosures made by the Seller, Auction, Auctioneer, or Selling representative. Buyers are also responsible for reviewing all pertinent information available online, including, but not limited to, announcements, disclosures, condition reports, pictures and online listings. Buyers are also responsible for observing and understanding the sale lights (Green, Green/Yellow, Yellow, Red, White, and/or Blue), which identify various sale conditions for the vehicle. Once the vehicle is sold, the Buyer must review the Auction sales receipt or appropriate document to confirm the vehicle price, disclosures and announcements are correct before legibly printing and signing their name or digitally/electronically signing the Auction sales receipt or appropriate document.
2. It is strongly encouraged that a Buyer should have a Post Sale Inspection (PSI) performed on purchased vehicles prior to the end of arbitration deadlines.
3. Buyer reimbursement by Seller after arbitration:

The Seller/Auction shall not be liable for any expenses, other than reasonable transportation expense accrued by the Buyer, before the title is received by the Buyer from the Auction. Buyers are cautioned not to sell vehicles prior to receiving the title from the Auction.

There is no expense or transportation reimbursement for vehicles arbitrated for mechanical issues during the "Ride & Drive" arbitration period, which ends at 5pm the next business day after sale.

If required by the Auction, the Seller will be responsible for reimbursement of all reasonable documented expenses incurred by the Buyer (Excluding profit, interest accrual, and commissions) on vehicles arbitrated for undisclosed conditions which are not detectable through a vehicle mechanical inspection or frame inspection. Some examples are, but are not limited to: a stolen vehicle, or a title being branded after the Buyer has received a clean title from the Auction. Expense reimbursements will be at the sole discretion of the Auction.
4. The Buyer is financially responsible for any pending sale and assumes all risk of loss until arbitration is final.
5. The Buyer or Buyer's agent (transporter or driver) must document any damage on the gate release prior to removing the vehicle from the Auction or facilitation service provider's location. Auction or facilitation service provider and Seller will not be responsible for any damage not identified on the gate release once the vehicle is removed from the location.
6. The Buyer shall not surrender possession of the vehicle to any claimant, except as required by legal process, nor shall Buyer voluntarily pay or acknowledge the validity of any claim, without the prior approval of Auction. Time is of the essence. Any failure on the part of the Buyer, after becoming aware of said claim, to notify Auction of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve Auction and Seller of any liability under this policy.
7. A vehicle is not considered returned until received, inspected and approved for return by Auction management. Any vehicle returned must be in the same or better condition as when sold. Any vehicles delivered to and left on Auction premises without Auction approval remain the sole responsibility of the Buyer. Buyer assumes all risk of loss. Vehicle must be returned in a timely manner consistent with Auction direction.
8. Auction reserves the right to reject arbitration requests on vehicles where the Buyer has accrued an unreasonable amount of miles on the vehicle prior to returning it to auction. Reasonable miles shall be determined solely by the Auction based upon the Buyer's location and circumstances.

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## **v. Title Arbitration Policy:**

1. All titles submitted by Seller must be in Seller's company name on title or on a properly executed reassignment form. The Seller guarantees the titles of vehicles that are sold through Auction. This guarantee of the title warrants that the title shall be marketable and free and clear of all liens and encumbrances. This includes 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 Auction and for a period of four (4) years from the date of sale. Seller's liability under this title guarantee shall never exceed the Auction sale price (the "maximum amount") of the vehicle, and this maximum amount shall be reduced by two percent (2%) per month following Auction sale date. All liability under this title guarantee shall expire and terminate four (4) years after Auction sale date. Auction will not be responsible for any expenses incurred on vehicles returned for late title.
2. Seller warrants, represents and guarantees possession and conveyance of a certificate of title, properly executed, valid in the state where the transaction is occurring and clear of all liens and encumbrances (except current year DMV fees in California), and Seller warrants and will defend the title against the claims and demands of all persons whatsoever.
3. Titles must be reassigned directly to Buyer. Any title assigned directly to the Auction will not be accepted.
4. Seller will not be paid for vehicles until a transferable title is received.
5. Auction accepts no responsibility for non-titled vehicles sold without title. Seller must announce the vehicle is being sold with a bill of sale only and that there is no title to transfer. All non-titled vehicles and equipment will be sold "As-Is."
6. If the title problem is due to a clerical or coding error, or incomplete documentation, Auction shall be given reasonable time after receiving notice to have the error corrected.
7. Paperless titles will not be accepted.
8. Where legal by municipal and/or state law, any vehicle being offered for sale with a foreign (non-US) title must be disclosed prior to the sale by the seller. Disclosure requirements and time limits are subject to local Auction title policy. Vehicle must be legal to sell in the United States.
9. Seller has a maximum of 21 days (sale day is day 1), to provide negotiable title to the Auction if the vehicle was run under the Blue-Light (Title Absent). If title has not been received by Auction after 21 days, it is the Buyer's option to return the vehicle. A 3 day notice to the Auction is required of the Buyer in order that the Auction may make a final attempt to obtain the title from the Seller. The Buyer may give notice of intent to return the vehicle on the 18th day after sale.

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10. In regard to defect in title, and in any matter relating to odometer mileage, odometer statements, or damage disclosure statements: Seller and Buyer agree to indemnify and hold harmless Auction from any liability, loss costs, 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.
11. 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 Auction. This involves giving full particulars of claim, cooperating fully in defending any legal action, and in taking other steps to minimize possible loss.

## **VI. Previous Canadian and/or Grey Market Vehicles:**

1. A "Previous Canadian" disclosure is required for any vehicle (regardless of manufacturing origin) having been registered in a Canadian province. Additional announcements may be required as well due to the use in Canada (i.e. Full or partial voided warranty, foreign title and etc.)
2. Any vehicle not originally built to U.S. specifications can, under certain circumstances, be imported through a registered importer who modifies the vehicle to comply with U.S. equipment and safety regulations (DOT and NHTSA) and then certifies it as compliant, and an independent commercial importer who modifies the vehicle to comply with U.S. emissions regulations and then certifies it as compliant. Only vehicles properly converted to U.S. specifications can be sold and must be announced as such.

## **3. Required Conversion**

- a. All other vehicles imported must be imported through a Registered Importer. Registered Importers are required to post a bond with the U.S. Department of Transportation and/or National Highway Transportation Safety Administration. All vehicles imported through a Registered Importer must have:
  - i. U.S. Safety Standard Certification Label that identifies the Registered Importer
  - ii. Valid U.S. Title or Legal Foreign Title
  - iii. Meet ALL Federal NHTSA, D.O.T. and/or E.P.A. Mandated Guidelines
  - iv. Documentation must be provided at any time by seller.
  - v. Cleared the mandated wait time.
- b. All vehicles, whether imported by a Manufacturer or a Registered Importer, must show miles per hour on the speedometer and miles traveled on the odometer. Title 49, United States Code, Chapter 327, Section 32704, allows replacement odometers without a door frame sticker if the conversion from kilometers to miles can be done without changing the distance traveled by the vehicle; therefore, replacement of an odometer under these circumstances does not have to be announced by the Seller.

## **VII. Arbitration Guidelines:**

Vehicles that have any of the defects outlined in Appendix I that were not disclosed by the Seller or announced at the time of sale must be reported to Auction within the time frame noted below in order to be eligible for arbitration. Vehicles must be returned to Auction in the same or better condition than when purchased.

Arbitration deadlines shall be extended by one additional business day, where the "If" or "On-call offer was not accepted by the Seller and the Auction notified by 4pm the day of Auction.

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1. **Time Period:** Refer to Appendix I for arbitration time periods. Sale day is Day 1. Mechanical arbitration ends at 5pm the next business day after the auction. Frame/Structural arbitration is 7 days.
  2. **Process:** Any **single** mechanical defect that has a repair cost of \$500 or more is subject to arbitration on vehicles sold under qualifying lights and lack of announcement by the Seller per Appendix I. Each vehicle transaction is allowed one chance at arbitration. The arbitrator will inspect only the defects that are on the initial arbitration claim. Repair costs will be determined by the Auction and will be based on local area shop rates to repair. If price adjustment is made and accepted, vehicle becomes "As-Is, No Arbitration" property of the Buyer, and is not subject to any further arbitration. The Buyer will have the choice to cancel the sale if he declines a price adjustment. The auction management makes the binding decision upon both the Buyer and Seller on all arbitration matters.

In determining if a repair meets the minimum \$500 threshold, the repair must be able to be diagnosed and reasonably estimated in no more than 1 hour of shop time (i.e. hard to trace electrical issues). If it cannot be diagnosed and estimated within this time period, the repair will be considered over the \$500 threshold and the sale will be renegotiated or rescinded.
  3. **Fees:** Auction reserves the right to assess an arbitration fee to the Seller or Buyer, dependent on the outcome of the arbitration, in addition to any out of pocket expenses for 3rd party inspections.
  4. **Not subject to arbitration:**
    - a. **Inherent Conditions:** No arbitration can be based on conditions that are inherent or typical to a particular model or manufacturer. Manufacturer warranty guidelines will be used where applicable to determine whether the condition is inherent. Additional resources can be found on NAAA's Standards page at [www.NAAA.com](http://www.NAAA.com).
    - b. There is no frame/structural arbitration on vehicles announced as reconstructed, junked, salvage, or total loss.
  - c. Oil *seeps* **are not** subject to arbitration. Oil *leaks* will be arbitrated on "Green-Light" vehicles only, subject to the DAA oil leak arbitration guidelines found on page 15 in this policy.
  - d. Wear items on "Green-Light" Vehicles will only be arbitrated in extreme and infrequent circumstances where the auction believes the vehicle to be unsafe to drive in its current condition and the wear item is in need of immediate replacement. Clutches may be worn and near end of life, but must not slip. Wear items on "White-Light" vehicles (Limited Drivetrain Guarantee), will not be arbitrated; however the vehicle and the engine must function well enough to distinguish between an engine defect and a drivetrain defect. Clutches on "White-Light" vehicles may be worn and near end of life, but must not slip.
  - e. Vehicles may not be arbitrated based solely upon information provided in Electronic Data Vehicle Histories (EDVH) or printed EDVH reports, unless the data has been reported by DMV or other government agency.

Examples of EDVH include Carfax, AutoCheck, NMVTIS, etc. The facilitating Auction may investigate vehicle history based on information found in EDVH for information that may impact arbitration.
  - f. Auction is not bound by vehicle grades or other types of scoring systems placed upon the vehicle. Buyers may only arbitrate a vehicle based upon damage or defects that were present at the time of the sale of the vehicle.
  - g. **Hidden damage and/or sub-standard repairs on "Green-Light" vehicles.**

Vehicles sold under the "Green-Light" will be held to a higher standard than vehicles sold with only a "Limited Drivetrain Guarantee" or an "As-Is" declaration. Hidden damage and/or sub-standard body repairs that are not easily spotted by a casual walk around inspection of the vehicle may be arbitrated on "Green Light" vehicles in circumstances where the Auction feels the sale would not be fair or ethical.
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# DAA Alaska Arbitration Matrix

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NAAA Seller Disclosure/Announcement Requirements	Disclosure/Announcement Required			Arbitration Time Periods		
	Green Light Only Ride & Drive	White Light Only Limited Guarantee	Red Light Only As-Is, No Arbitration	Green Light Only Ride & Drive	White Light Only Limited Guarantee	Red Light Only As-Is, No Arbitration
<b>Major Component</b>						
Engine Problem*	YES	NO	NO	A	N/A	N/A
Cracked or Repaired Block*	YES	NO	NO	A	N/A	N/A
Transmission Problem*	YES	YES	NO	A	A	N/A
4X4 System Inoperable*	YES	YES	NO	A	A	N/A
ABS Problem*	YES	NO	NO	A	N/A	N/A
Emission Control Equipment Missing or Inoperable*	YES	NO	NO	A	N/A	N/A
Air Conditioning System*	YES	NO	NO	A	N/A	N/A
SRS - Missing or Problem with Airbags*	YES	NO	NO	B	N/A	N/A
Hybrid or Electric Vehicle Battery Problems and/or Missing or Inoperable Battery Charger*	YES	NO	NO	A	N/A	N/A
<b>Vehicle History Issues</b>						
Structural Damage/Certified Structural Repair or Replacement/Structural Alteration Per NAAA Structural Damage Policy	YES	YES	YES	B	B	B
Not Actual Miles/Inoperative Odometer	YES	YES	YES	B	B	B
Total Loss and/or Salvage Retention (By Insurance Records)**	YES	YES	YES	B	B	B
Theft Recovery/Stolen Vehicles (Including History)	YES	YES	YES	30 Days	30 DAYS	30 Days
Insurance and/or Salvage Titles (Including History)**	YES	YES	YES	B	B	B
Flood Damage (By Auction Inspection)	YES	YES	YES	B	B	B
Lemon Law/Manufacturer's Buyback**	YES	YES	YES	B	B	B
State-Issued VIN Plates (Including Kit Vehicles)	YES	NO	NO	B	N/A	N/A
All Taxes and Livery Requiring Local or State Licenses and Law Enforcement Vehicles	YES	NO	NO	B	N/A	N/A
Previous Canadian Vehicles	YES	YES	YES	B	B	B
Grey Market Vehicles**	YES	YES	YES	B	B	B
Vehicles Being Sold with No Title (Bill of Sale Only)	YES	YES	YES	B	B	B
Voided Factory Warranty	YES	NO	NO	B	N/A	N/A
Fuel Conversion	YES	NO	NO	B	N/A	N/A
Non-Original Engine (Excludes Items Replaced Under Manufacturer's Warranty) Current Model Year and Up to 4 Model Years Old	YES	NO	NO	B	N/A	N/A
Logo or Decal Misrepresentation	YES	NO	YES	A	N/A	N/A
Biohazard Vehicles (Existing or Cleaned)	YES	YES	YES	A	A	A
Flood Damage History (Discovered By DMV and/or Insurance Company Records)	YES	YES	YES	120 Days	120 Days	120 Days
<b>Other Issues</b>						
Vehicle Accessory Electrical Problems*	YES	NO	NO	A	N/A	N/A
Paintwork (3 Panels or More) on Current Model Year and Newer (Excludes Bumpers)	YES	NO	NO	A	N/A	N/A
	YES	NO	NO	A	N/A	N/A
Vehicles Being Sold With a Government Release for Title (i.e., 27A, SF-97-1 and etc.), CO, MSO, or Repo Affidavit Title (If Required By Law)	YES	YES	YES	7 Days After Receipt of Title	7 Days After Receipt of Title	7 Days After Receipt of Title
Pending State or Local DMV Fees or Taxes Over \$100 Due On Vehicle (If Required By Law)	YES	YES	YES	7 Days After Receipt of Title	7 Days After Receipt of Title	7 Days After Receipt of Title
Any Disclosure Required By Law	YES	YES	YES	7 Days After Receipt of Title	7 Days After Receipt of Title	7 Days After Receipt of Title

## Time Period Codes and Footnotes

"A" - 5PM Next business day after auction. "B" - 7 Calendar Days Only (Auction day is day one).

\* No structural guarantees on vehicles selling for less than \$2,000.00. \*

\*Must disclose defects that are singularly \$500 or more to repair or replace

\*\*These transactions may be subject to arbitration regardless of the stated time limits. Arbitration claims initiated after the stated time period will be addressed via the depreciation formula described in Title Arbitration Policy<sup>9</sup> (Paragraph I).

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## VIII. Structural Damage, Alteration or Certified Structural Repair or Replacement Policy

The purpose of the NAAA Structural Damage Policy is to define and clarify terminology associated with structural issues and to specify the disclosure requirements of the seller for vehicles offered at NAAA affiliated auctions. The policy is intended to provide adequate disclosure to the buyer for informed purchase decisions and to limit arbitrations for the seller. This policy, along with the main Arbitration Policy will serve as the primary criteria for all arbitration proceedings.

### 1. Definitions

- a. **Vehicle Structure**-The main load-bearing platform of a vehicle that gives strength, stability and design exclusivity and to which all other components of the vehicle are fastened. For purposes of this policy, there are three macro types:
  - i. **Unibody** - A type of structure whereby the floor pan assembly, roof bows/braces, pillars, etc. are bonded together into one unit, thereby eliminating the need for a separate conventional structure
  - ii. **Unibody on Frame**-A type of structure whereby a unitized structure is bolted to a conventional structure.
  - iii. **Conventional Structure**-A type of structure consisting of two symmetrical rails (beams) connected by various cross-members.

- b. **UVMS**-Used Vehicle Measurement Standard. The commercially acceptable measurement deviation from the vehicle's original structural specification in order for any deviation not to be considered structural damage.
- c. **Permanent Damage** (aka "Kinked" or "Broken")- The result of two or more objects striking or coming together at a significant change in velocity that permanently deforms the structural component(s) rendering it non-repairable per the manufacturer.

### 2. Recommended Disclosures

- a. **Structural Damage**-Damage to the structure or a specific structural component of the vehicle. Often referred to as frame damage, although it also applies to Unibody and Unibody on Frame structures in addition to Conventional Frame.
- b. **Certified Structural Repairs/Replacement**-Repairs to a specifically identified structural component of a vehicle that has been certified to be within the Used Vehicle Measurement Standard (UVMS).
- c. **Structural Alteration** -An alteration to the vehicle's structure including a lengthened or shortened frame, a modified suspension, or the installation or removal of after-market accessories.

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## 3. Seller Disclosure Requirements

Sellers must disclose permanent structural damage, any structural alterations, structural repairs or replacements (certified or non-certified) as outlined in this policy prior to selling a vehicle at Auction regardless of sales channel or light condition. Disclosures are required for the following:

- a. Any/all existing permanent (non-repairable aka kinked or broken) structural damage as defined in this policy
- b. Improper and/or substandard prior repairs (not meeting OEM repair guidelines)
- c. Repairs not certified using OEM guidelines or to be within the UVMS. Improper alterations to the structure. Lengthened or Shortened structure verified by visual inspection.
- d. Altered suspension that requires the structure to be modified from its OEM form.
- e. After-market accessories installed or removed from the structure.
- f. Towing packages installed (or removed) where new holes are drilled, OEM holes are enlarged, or if the towing package is welded or brazed to the structure.
- g. Multiple access holes (regardless of size) or singular access holes greater than 5/8". Access holes between 1/4" and 5/8" are subject to disclosure based upon location and condition of structural component.
- h. Corrosion of structural components determined by one or more of the following; when the substrate loses its shape, the original bonds near the affected area are loose or are no longer in existence, the original thickness of the substrate has been changed by more than 25%, or the affected area no longer possesses its absorption or deflection properties.
- i. Structural tear damage (i.e. transport tie down) if more than 1" in length (measured from tear start/stop points)
- j. Damage due to improper jacking or lifting that permanently deforms structural components outlined in this policy.
- k. Damage due to contact with parking abutments and/or road debris that permanently deforms structural components outlined in this policy.
- l. Roof bows/braces that have been modified, have existing permanent damage or removed. A replaced roof skin is not a required disclosure in terms of the Structural Damage Policy.
- m. The C pillar/quarter or Cab panel may or may not be a structural component(s) as per the vehicle manufacturer.

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## 4. Arbitration Rules for Structural Damage, Alteration, Certified Repairs or Certified Replacement

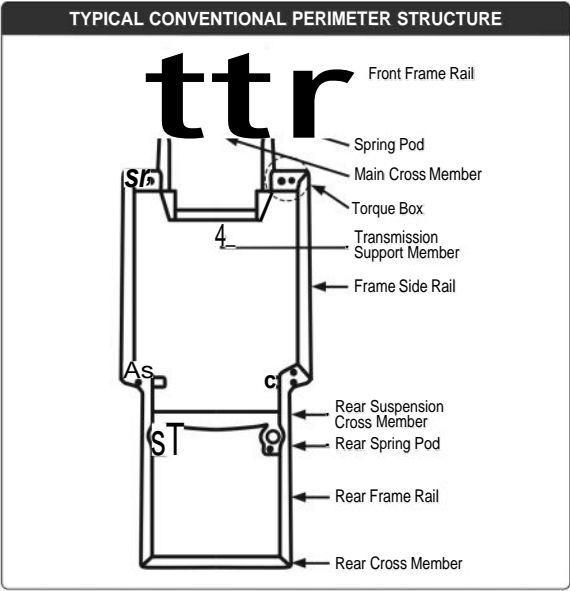
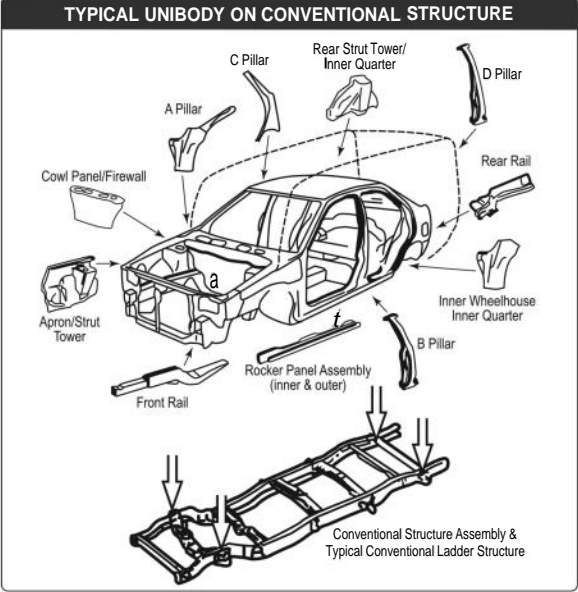
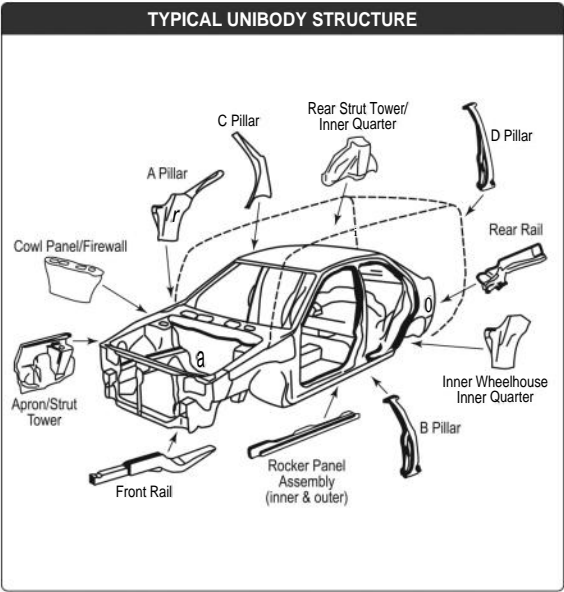
- a. A vehicle may be arbitrated if it has undisclosed existing permanent damage alteration, Certified Repairs or Certified Replacement, which should have been disclosed under this policy, even though the vehicle is within the UVMS. If a structural issue is properly disclosed, the vehicle may only be arbitrated for improper repair of the designated area, existing permanent damage or repairs to other areas of the vehicle not disclosed, or for failure to be within the UVMS that was verified by visual inspection.
- b. Core supports: Core support damage or poorly repaired core support damage will only be arbitrated on "Green Light" vehicles. Damage that is deemed minor or insignificant will not be arbitrated.
- c. Damage to the aprons, rail floor pan assembly, inner wheelhouse (upper or lower), D pillar (if equipped) or other ancillary structural components on a unitized structure in the area where the radiator core support or rear body panel attaches will require a disclosure if permanent damage exists.
- d. Brazed exhaust hangers are not a required disclosure under this policy.
- e. Facilitating Auction will, at its discretion, have a vehicle measured according to the UVMS at a facility of its choice. Prior to sending the vehicle for measurement, the Auction reserves the right to complete a visual verification of the physical condition of the vehicle to determine that it should be measured. If the measuring facility determines that the vehicle is within the UVMS, the buyer of the vehicle will be responsible for the charges paid to the facility. Likewise, if the measuring facility determines that the vehicle is not within the UVMS, the Seller will be responsible for the charges paid to the facility.
- f. Visual evidence supersedes any/all mechanical or electronic measurements.
- g. For measurements according to the UVMS, the following guidelines will apply:
  - i. The vehicle structure must measure to a total tolerance of no more than +/- 8 millimeters (mm) of published specification of length, width and height at control points that capture the front (2), center (4) and rear (2) sections of the vehicle.
  - ii. Symmetrically (comparative measure from side to side and point to point based on point measurement), the length, width and height must measure to a difference of no more than 6 mm. Upper body measurements (tram gauge) by themselves will not be adequate.
- h. Buyer must arbitrate any/all structural misrepresentations as outlined in this policy within published timelines (outlined in the main Arbitration Policy Guidelines) from date of purchase (purchase day counts as Day One).
- i. The Buyer must contact and follow the arbitration process of the Auction where the vehicle was purchased including the Auction's direction for return of the vehicle and the time frame allowed for the vehicle to be returned.
- j. In the event of improperly disclosed structural damage by the Seller, the Buyer will be entitled to reimbursement in accordance with the main Arbitration Policy.

# Arbitration Policy

Effective Date: May 17, 2017

Structural Components				
	Unibody	Unibody on Conventional Structure	Conventional Structure	
1. <b>Frame Rails</b> (Including Front, Center and Rear Rails)	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			
2. <b>Spring Pod, Torque Box or Stabilizer Mount</b>	N/A	Existing Permanent Damage, Removed, Modified, Repaired or Replaced		
3. <b>Cross Members</b> (Except Bolt-On)	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			
4. <b>Apron Assembly</b>	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			N/A
5. <b>Strut Tower Assembly</b>	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			N/A
6. <b>Cowl Panel/Firewall</b>	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			N/A
7. <b>Support Pillars</b> (Includes A, B, C*, D)	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			
8. <b>Roof Braces/Bows</b>	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			
9. <b>Rocker Panel</b> (Outer)	Replacement Only			N/A
10. <b>Rocker Panel</b> (Inner)	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			N/A
11. <b>Floor/Trunk Panels</b>	Tears 1" or More, Existing Permanent Damage, Removed, Modified, Repaired or Replaced Panels			N/A
12. <b>Quarter* or Cab* Panel</b>	Replacement Only			N/A
13. <b>Inner Quarter Panel Assembly</b> (Includes Inner Wheelhouse Panel, Rear Start Tower, and Wheelhouse Extension Lower)	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			N/A
*Only Applies to Components Deemed Structural Per the Vehicle Manufacturer.				

\* Only Applies to Components Deemed Structural Per the Vehicle Manufacturer.





# Arbitration Policy

Effective Date: May 17, 2017

## Puddle or Stream Policy

Vehicles are frequently exposed to moisture during their ordinary operation, maintenance, and reconditioning. Occasionally, such exposure may leave residual marks or indicators similar to those left by exposure or immersion of the vehicle in floodwater. In determining what conditions require disclosure or in arbitrating vehicles for flood exposure/damage it is critical that the total condition of the vehicle be considered including VIN data history.

### 1. Disclosure Not Required

No disclosure is required nor is arbitration allowed for the following types of water exposure, provided that none of the components outlined below are damaged:

- Rain, snow or sleet due to open windows, doors or tops or leaking seals.
- Car wash or rinse water.
- Carpet or upholstery shampooing or cleaning.
- Stream, pond, puddle or floodwater that does not rise above the rocker panel or otherwise enter the passenger compartment.
- Stream, pond, puddle or floodwater that enters the luggage compartment, but does not damage any electrical components (such as lighting or wiring harness) or does not enter the passenger compartment.

### 2. Disclosure Required

Disclosure is required and arbitration shall be allowed under the following conditions:

- The title has been correctly branded indicating flood history of the vehicle.
- Any of the following components have been damaged due to stream, pond, puddle or floodwater immersion/ingress:
  - Front or rear internal lighting or wiring harnesses
  - Engine and its major components
  - Transmission and differential
  - Dash instrument panel and wiring
  - Passenger seat cushions
  - Power seat functions or window motor
  - Major sound system components

### 3. Recommended Disclosure

The recommended disclosure is "**Flood Damage.**" This declaration should be made whenever existing or prior flood damage is found and therefore requires disclosure. While the vehicle is recommended to be sold under the red light, the disclosure "Flood Damage" is required for all sale lights except the "red/yellow As-Is, No Arbitration" light combination.



## **DAA GUIDELINES FOR ARBITRATION OF OIL LEAKS**

- Oil **seeps** cannot be arbitrated.
- Oil **leaks** will be arbitrated on “Green-Light” vehicles only.
- Oil leaks **cannot** be arbitrated on “As Is” or “White-Light” (Limited Warranty) vehicles.

To determine whether a vehicle has a **Seep** or a **Leak**, the Auction will drive the vehicle to reach operating temperature. The vehicle will then be parked indoors at the Auction over a clean surface for a minimum period of 12 hours. After 12 hours the vehicle and floor will be inspected for oil drips. If any *single* covered component is found to have leaked at minimum, a “dime” size puddle, the issue will be considered a leak and will be eligible for arbitration. The leak must meet the minimum \$500 single component repair threshold to qualify.

5/17/17