



# **General Rules & Policies**

Revised September 11, 2019

## ***PARTICIPATION POLICIES***

**Dealer-Only Auction:** Only licensed Motor Vehicle Dealers or their duly authorized representatives are eligible to buy vehicles at OKI Auto Auction. **No retail customers are allowed on the lot or in the selling arena.** Any dealer bringing a retail customer into the auction risks the loss of all Auction privileges.

**Public Repo Auction:** During Repossession sales, Public (non-dealer) Buyers are permitted to bid on Repossession Units only. Public Buyers must conform to all the general rules, as well as the Rules for Public Buyers.

**Auction Disclaimer:** All representations and warranties are made by or on behalf of the Seller. Buyer is solely responsible for verifying all representations and warranties in a timely manner.

**Outside Sales:** The appropriate Sales and Buyer's fees are payable to the Auction on any transaction where contact is made on the Auction premises, whether or not the vehicle is sold on the Auction block. Such sales must be processed through the auction. All "Off the Block" sales are sold **AS IS** and are not subject to arbitration.

**Payment:** All vehicles purchased vehicles must be paid in full within three business days, sale day being day one. No vehicle may leave the premises unless paid for in full. The appropriate Sales and Buyer's fees are payable to the Auction on any transaction where contact is made on the Auction premises, whether or not the vehicle is sold on the Auction block. Such sales must be processed through the auction. All "Off the Block" sales are sold **AS IS** and are not subject to arbitration.

***\*Consigned vehicles cancelled or withdrawn on sale day will be charged all registration and/or no-sale fees.***

**Enforcement:** The Auction reserves the right to enforce, interpret, or waive these rules and policies according to the circumstances of each transaction in order to ensure equitable treatment of all parties. Any dealer found in violation of the Auction policies may be barred from the Auction at the sole discretion of auction management. OKI Auto Auction management will decide all issues of dispute.

**Participant's Release and Waiver of Liability / Assumption of Risk and Indemnity Agreement:** Dealer, its representatives, agents, and/or guests acknowledge that there are assumed risks when attending an auto auction that may cause serious injury, and in some cases death, because of the unpredictable nature of motorized vehicles and the inherent dangers of auction personnel and dealers driving vehicles, consigned or owned by the Auction, in a densely-populated pedestrian area. Knowing, or having reason to know these facts, Dealer, its representatives, agents and/or guests voluntarily assume the risk of danger of injury or death inherent in attendance at the Auction.

**Children:** For their safety, children under 18 years old will not be allowed into the Auction. Please do not leave your children unattended in the lobby.

**Possession and Risk of Loss:** Until sold, a vehicle is deemed to be in the possession of the Seller and at his risk of loss, even though it is at the Auction. Upon execution of the sales agreement by a Buyer or his agent, the possession and risk of loss transfer from the Seller to the Buyer. The Auction will not be liable for mechanical breakdown of vehicles during or after transport of the vehicle. The Auction will perform due diligence in terms of checking fluids prior to transport but will not be liable for breakdown except for Auction negligence.

**Test Drives:** Prior to purchase of a vehicle, Dealers are allowed to test drive vehicles only in the designated test drive area. Public Buyers are not allowed to test drive vehicles prior to purchase but may start vehicles in their assigned parking space. The arbitration policy is designed to give Buyers various levels of protection against mechanical issues, depending on how the vehicle is declared by the Seller. Buyers are cautioned to read and listen to all announcements as the vehicle crosses the Auction block, and to be aware that “Red-Light” (As-Is) vehicles will not be arbitrated for any mechanical issues, whatsoever.

**Vehicle Sabotage/Parts Theft/Abuse:** Any person found tampering with, sabotaging, over-revving, power braking, or removing keys from a vehicle they do not own will be subject to immediate and permanent expulsion from the Auction. Auction reserves the right to use and review audio/video documentation when investigating violations.

## **CONSIGNING A VEHICLE**

### **A few notes about successful consignors:**

*Sellers who represent their vehicles accurately, sell consistently, and set realistic prices earn the Buyers’ trust and enjoy more success at Auction.*

*Set Realistic Floor Prices: Sellers who consistently set floor prices that are not met by the bidders will soon find no one bidding on their vehicles, as they consider participation a waste of time.*

*Integrity Selling Pays Off: Properly and fully disclosing the condition of a vehicle gives buyers confidence, and will, in the long run, gain a positive reputation for the Seller and his or her vehicles. Buyers will seek out these Sellers and regularly purchase their inventory.*

You have options on how you would like to represent your vehicle. Sellers will not be paid for vehicles that are sold under the “Green or White Light”, until the mechanical arbitration time period has expired (2 hours after completion of the auction, or IF). Below you will find our light system with descriptions:



**Green Light – Ride & Drive:** Vehicles guaranteed by the seller not to have any single mechanical defect (excluding radios) costing more than \$500.00 to repair at wholesale repair cost.



**White Light - Auction Guarantee:** Seller guarantees vehicle to have good head gaskets, engine block, rods, crank, pistons, transmission, transaxle, transfer case, 4x4 and rear end. **CLUTCH, CV JOINTS, HUB BEARINGS, OIL and COOLANT LEAKS CAN NOT BE ARBITRATED.** Any mechanical condition which the manufacturer or franchised dealership’s certified technician deems normal or inherent in a particular vehicle shall not be subject to arbitration. Chrysler, Jeep, and Ford products with differential repairs and/or defects are not eligible for arbitration, regardless of seller. Honda Motor Company LTD products with driveline whines are not eligible for arbitration.



**Red Light – As Is:** Seller guarantees nothing except the vehicle is not frame (or unibody) damaged or flood damaged and has proper emissions devices and air bags.



**Blue Light – Title Attached:** Assignable title is not available at the time of the sale. Seller must announce “Title Attached” on the block and deliver the title to the auction within 28 days of the sale. If buyer does not receive a title on or before the 28th day they may give a 24-hour notice to the auction and bring the vehicle back. Buyer shall return the vehicle, in the same condition as purchased, at their expense. Seller will be charged the normal sale fees.



**Yellow Light – Caution, Announced Defects of Condition:** Vehicle is sold with pre-announced declarations, which are not subject to arbitration. This light can be used in conjunction with any other light.

## ***If and Off-Block Sales***

***If or On-Call Offers*** will be defined as a pending sale in which a high bid was recorded at the auction block but was subject to the Seller’s acceptance at a later time. If the high bidder does not desire to have his/her bid recorded as an “IF”, the bidder must immediately notify the Auctioneer of his request, ***prior to the Auctioneer starting the bidding on the next vehicle***. All recorded “IF” sales are binding for two hours after conclusion of the auction. Bid price approval after the two hours is binding to the Buyer if the buyer has not declined the sale. It is the Buyer’s responsibility to check with the Auction on the status of the “IF” bid. As long as the Seller has approved the “IF” bid within an two hours or before the buyer declines the sale, the sale is valid and binding to the Buyer. All “IF Turndowns” must be processed through the arbitration department.

***Off-Block Sales*** will be defined as either: 1) a vehicle selling to a Buyer who was *not* the high bidder recorded as the vehicle crossed the auction block; or, 2) a vehicle that has sold through the Auction, but has never crossed the block. *Lot Sales/Outside Sales* are not binding until the Buyer has signed the Auction sales receipt.

## ***SELLER’S DECLARATIONS***

Sellers are solely responsible for the accurate representation and description of each vehicle consigned and offered for sale.

**The following are some of the conditions that must be declared and are subject to arbitration on all vehicles selling at the Auction, regardless of the vehicle’s age, selling price, or whether the vehicle is being sold “As Is”. Sellers must declare the conditions listed below in writing.**

- **Odometer discrepancy, odometer exceeds mechanical limits or non-working odometer.**
- **Frame damage or structurally defective frame** (As listed in the NAAA Recommended Structural Damage Policy.)
- **Total Loss History** (Reconstructed Vehicle or Previous Salvage Title)
- **Cracked Engine Block.**
- **Flood Damage**
- **Police, Taxi, Municipal or Commercial Units**
- **Branded Title** (Any brands appearing on the title, or which *will* appear on the title).
- **Missing or Deployed airbags**
- **Non 4-wheel drive SUVs**
- **Canadian Import/Previous Canadian** (Must have a U.S title and meet U.S. standards).
- **Non-Conformance to all Federal and State Regulations**

Auctioneer should be immediately notified of any errors or omissions. Vehicles sold without proper announcements are subject to arbitration.

## ***SELLER'S RESPONSIBILITIES***

In addition to any responsibilities and required declarations stated elsewhere in this document, the Seller represents to the Buyer the following, for any vehicle consigned or sold at the auction:

1. The vehicle is properly offered for sale at the auction and all announcements/vehicle descriptions provided to the Buyer are accurate and complete. It is the Seller's obligation to correct any errors as to announced conditions.
2. 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.
3. Mileage announcements are not required on vehicles 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 units - any statements made by the Seller and all known odometer discrepancies are grounds for arbitration.
4. The Seller has the responsibility to announce any state or local DMV fees, taxes or other fees due on the vehicle.
5. Even if sold “As-Is,” Seller warrants to the Buyer and the Auction that any vehicle driven through the sale will be safe to drive, regardless of Seller's disclosures. Some examples of unsafe items include, but are not limited to, fuel leaks, faulty brakes, no steering, etc. Buyer agrees that if he deems the car unsafe after inspecting it as set out below, he will bring that to the Auction's attention before removing the vehicle. The Auction reserves the right to void any such transaction.

## ***BUYER'S RESPONSIBILITIES***

In addition to any responsibilities and required declarations stated elsewhere in this document, the Buyer has the following responsibilities regarding any vehicle purchased at the Auction:

1. Buyer will inspect the vehicle prior to and immediately following the sale. The Buyer must verify the Seller's representations and notify the auction immediately of any discrepancies or within the timeframe as stated in this arbitration policy. Buyer will examine the VIN, model year, and verify odometer before leaving.
2. The Buyer will follow 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 Auction immediately of any discrepancies as to Seller's representations, warranties, and descriptions. Please be aware that items written on a vehicle by the Seller are a representation and subject to arbitration. Arbitration will be limited to the specific defects described by the Buyer upon placing the vehicle in arbitration.
4. Buyer guarantees sufficient funds are available and will remain on deposit at dealer'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 as posted. Floorplan payments must be established on day of sale.
6. Buyer agrees to be liable for any and all work done to a vehicle prior receiving a title.

## ***TITLE POLICIES***

**Title:** If the Seller offers the vehicle for sale under the "Blue-Light" (Title Absent), the Seller has 28 days from date of sale to provide Auction with negotiable title (Sale day is day #1). If the Buyer fails to receive a title within this time, the vehicle may be returned providing a **24-hour** notice has been given to the Title or Arbitration Departments. Buyer must return the vehicle in like or better condition than when purchased. If a valid negotiable title is presented within the **24-hour** notice period, the transaction will stand.

**Lost Titles:** Titles forwarded by the auction to the Buyer and not received (lost in mail) will be replaced by the auction (at buyer's cost) and do not constitute grounds for a "late title" rejection.

**Caution:** The Auction cautions Buyers from reselling vehicles prior to receiving title from the Auction. Buyer agrees to be liable for any and all work done to a vehicle prior receiving a title.

**Clerical Error:** If a title problem is due to a clerical or coding error, or incomplete documentation, the Auction shall be given reasonable time after receiving notice to have the error corrected. Rejection of a purchased vehicle under these circumstances will be at the sole discretion of the Auction.

## ***INTERNET/SIMULCAST/PIPELINE/PROXY BIDDING***

When possible, internet/simulcast bidding is provided as a convenience to our bidders. Due to inherent technology issues of simulcast, and the unpredictability of internet speed and service, the Auction cannot guarantee that a bidder's offer will be received or acknowledged by the auctioneer. It is recommended that simulcast bidders bid early to let the auctioneer know that he or she is interested in the vehicle on the block. Internet bidders who wait until the final seconds of the close of bidding may lose their bid due to internet delay. In cases of a "tie", the floor bidder will be awarded the bid. The simulcast block clerk retains the right to reverse or "override" any late internet bids, where the bid was already verbally awarded by the auctioneer to another bidder. All internet purchases are subject to the following terms of sale (in addition to all other terms set forth in this document.):

- Purchaser agrees to purchase a Post-Sale Inspection (PSI) or Sale Day Check (SDC) for all qualifying vehicles. (for details regarding PSI and SDC, see the Vehicle Inspections Policy.)
- Purchaser agrees that any online purchase, sold AS IS, can only be arbitrated for reasons stated in the Arbitration Policy
- Vehicles must be paid for on the day of purchase.
- Purchaser agrees that OKI Auto Auction is not a bailee and is not responsible for loss or damage to any vehicle or relate items while on the Auction premises or during transport.
- Vehicles shall be removed from OKI Auction premises (Including the front parking lot) no later than six days following the date of sale. Vehicles left on the Auction premises after the 6<sup>th</sup> day are subject to the applicable storage fees as set forth elsewhere in this document.
- OKI Auto Auction reserves the right to cease doing business with you at their discretion.
- Titles to any purchased vehicle will not pass to the Purchaser until the vehicle is paid for in accordance with the payment policies in this document.
- Purchaser in any online transaction agrees to purchase the vehicle for the price specified plus the buyer fee and any applicable inspection fees.
- Purchaser agrees no verify the Vehicle Identification (Serial) Number.

In cases where the Internet/Simulcast policies differ from other stated policies, the Internet policies take precedence for online transactions.

## **ARBITRATION**

OKI Auto Auction has arbitration policies that differ from the National Auto Auction Association (NAAA) standards to accommodate for our unique market conditions and operating environment. These guidelines are used to resolve disputes between Buyers and Sellers which involve title/odometer, mechanical, flood damage, and body & frame issues. We suggest that all registered dealers review and familiarize themselves with the OKI Auto Auction Arbitration Policy.

### ***Important reminders concerning Arbitration*** *(See Arbitration Policy for complete details)*

**THERE WILL BE NO ARBITRATIONS FOR ANY REASON FOR ALL VEHICLES SOLD FOR \$200 OR LESS.**

**There shall be no arbitration** unless the Buyer notifies the Auction Arbitration Manager and provides a completed arbitration form specifically identifying all covered defects; failure to direct all arbitration inquiries to Arbitration Manager or Arbitration Personnel will cause vehicle to be ineligible for arbitration. A vehicle can only be arbitrated once.

**Time Limits:** Vehicles must be arbitrated within **TWO HOURS** after the conclusion of the auction, unless otherwise stated within this document, or the Arbitration Policy. IF SALES can be arbitrated up to **TWO HOURS** after the approval of the IF SALE.

**Inherent Conditions:** Any mechanical condition which the manufacturer or franchised dealership's certified technician deems normal or inherent in a particular vehicle shall not be subject to arbitration.

**Ineligible Items:** Chrysler, Jeep, and Ford products with differential repairs and/or defects are not eligible for arbitration, regardless of seller. Honda Motor Company LTD products with driveline whines are not eligible for arbitration.

**Arbitration Fees:** See the local fee schedule for amounts and handling of arbitration and inspection fees.

**Sale and Buyer Fees:** Seller may be charged the Sale Fee and Buyer Fee on a rejected vehicle if the Auction determines that there is a willful disregard for the disclosure requirements.

**Seller Notification:** The Auction will make every effort to notify Seller when a vehicle is placed in arbitration. Failure of a Seller to receive notification will not affect the validity of the arbitration.

#### **Buyer Verification Prior To Bidding:**

- Verify the accuracy of any information in catalogs, handouts, web-sites, or windshield tags.
- Announcements may change up until the time the vehicle crosses the auction block. Buyer is responsible for listening to all current announcements made by the Auctioneer and to observe the Green, White, Red, Yellow, and Blue light codes and other announcements displayed on the lane monitor.
- Misunderstandings between Bidder and Auctioneer must be brought to the Auctioneer's attention immediately after the bidding ends on a vehicle and prior to the start of bidding on the next vehicle.

## Buyer Verification After Vehicle Sold By Auctioneer:

- **Before signing the sales invoice** – Verify vehicle description, odometer disclosure, bid price, and announcements. Any discrepancies must be resolved before signing the invoice.
- **Before leaving the Auction on sale day** – Verify vehicle year, make, model, equipment, condition, and odometer reading.
- **Before accruing any charges other than transport** – Verify that the vehicle has no flood or structural damage or repair, no covered mechanical defects (*if sold with guarantee*), the odometer is operational, and that the buyer has obtained title from the Auction.

**Vehicle Return:** If a vehicle is eligible for arbitration or rescission after it has left the Auction, the Buyer will have 72 hours to return it to the Auction in the same or better condition. The Auction may, at its discretion, allow longer if circumstances warrant.

**Arbitration Disputes:** Contested mechanical arbitration decisions will be submitted to a third party for evaluation. The third party will be a New Car Dealer for the make of the vehicle being arbitrated. If the third party evaluation is in agreement with the Auction arbitration decision, the expense of the evaluation will be the responsibility of the dealer requesting the additional vehicle inspection. **There will be no third party arbitrations on vehicles over ten years of age or 130,000 miles.**

## PAYMENT

**Payment Options:** Newly registered dealers with the Auction will be required to pay by cash or cashier's check. A dealer may apply for check writing privileges by submitting a completed "Bank Letter", which can be obtained from the office. When approved, checks must be written on the Dealer's business account, which must be in the same name as they have registered with the Auction.

All vehicles must be paid for within three business days, sale day is day 1. No vehicle may leave the premises unless paid for in full. Payment must include bid price, Buyer's Fee, and all other applicable fees and charges. Any payment made after the specified payment date will result in a \$50 charge for every 7 days late.

- **Company Check:** A dealer may pay for vehicles with company checks *ONLY* after they have been approved by the Auction for check writing privileges; checks must be drawn on the buying Dealer's *business* account. One check should be submitted for each vehicle. The Auction will deposit your check when the title is received by Auction.
- **Inventory Financing:** The Auction provides several outside inventory financing programs to preapproved dealers.

**Returned Check Policy:** A returned item charge of \$150.00 will be assessed on all returned drafts and checks. All returned items must be paid within 24 hours by cashier's check, or cash, or:

- Notice will be sent to the Bonding Company & DMV;
- Buyer privileges will be restricted; and
- Interest will be accrued at the highest legal rate from the date of return. Buyer privileges of repeated abusers of the draft/check policy will be revoked.



**Storage Fees:** Vehicles left on the Auction premises for more than ten days after purchase or after cancellation of consignment shall be subject to a storage fee of \$10/day.

## ***INELIGIBLE VEHICLES***

Vehicles meeting any of the following conditions cannot be offered for sale:

1. A vehicle with an altered or missing V.I.N. plate
2. A vehicle with a salvage title
3. Grey market vehicles
4. Unsafe vehicles (as determined by the Auction)
5. Vehicles without clear U.S.A. titles

## ***GRAY MARKET (CANADIAN) VEHICLES***

1. Only vehicles made in North America for Canadian use and properly converted to U.S. specifications can be sold. No other Gray Market vehicles are accepted for sale.
2. Sellers must inform the auction that a vehicle is a Canadian vehicle at time of registration and must disclose that to the Buyer in writing as an announced condition on the block ticket.
3. If a vehicle was manufactured in Canada for the U.S. Market, there must be a Manufacturer's Certification Label affixed to the vehicle. This label must clearly state the vehicle was in conformance with federal safety standards on the date of manufacture.
4. If a vehicle was manufactured in Canada for the Canadian Market, the Manufacturer is required to obtain and affix a U.S. Safety Standard Certification Label to the vehicle.
5. All other vehicles imported from Canada, must be imported through a Registered Importer. Registered Importers are required to post a bond with the U.S. Department of Transportation. All vehicles imported through a Registered Importer must have:
  - U.S. Safety Standard Certification Label that identifies the Registered Importer
  - Safety Defect Recall Insurance Policy issued by the Registered Importer. This insurance policy must be with the vehicle and remain in effect for eight (8) years from the date of issuance by the Registered Importer.
  - Valid U.S. Title
6. All Canadian 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 of odometers without a doorframe 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.