



2014 Regulating Policy GUIDE BOOK

Southern Auto Auction is the largest independent auction in the U.S.A.

Our mission is to provide our customers with the highest level of services unparalleled by any other auction in the nation. We appreciate your business and we welcome your feedback.





Established in 1947

161 S. Main Street, East Windsor, CT 06088

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Frank Deltoro	Security
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saa.com

Office Hours:

Monday–Friday: 8am–4pm

Yard Hours:

Mon, Tues: 8am–6pm

Wednesday: 6am–11pm

Thurs, Fri: 6am–8pm

Sat and Sun: 8am–4pm

Wednesday Auction: 9:30am



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GENERAL AUCTION OPERATING POLICY

Southern Auto Auction (SAA) has been a family business for over 60 years and prides itself on creating an atmosphere of professionalism, honesty, discretion, fairness, and respectful conduct.

SAA is a private company; doing business at SAA is a privilege at the invitation and approval of SAA management. This privilege can be revoked any time at the discretion of SAA management.

1. Dealer Only Auction

- a. Only dealers complying with the motor vehicle regulations of their state or country may attend this auction.
- b. Each dealer must be registered with SAA in order to buy or sell. Dealer ID cards must be used to enter Auction grounds and dealers are required to obtain a bidder number that must remain visible at all times.
- c. The licensed and registered dealer and his authorized agents are responsible for all business transactions made under their company name at Southern Auto Auction (either at the physical location or through the Internet). The Seller is responsible for representing the vehicle condition and miles accurately and to transfer the title and supporting documents properly. By securing a Bidder number, all Buyers are responsible for payment of all accepted final bids recognized by the auctioneer.
- d. All changes of ownership, authorized representatives, banking facilities, addresses and telephone numbers must be reported to SAA at the time of change. Cell phone numbers and e-mail addresses provided to SAA may be used to provide advanced sale information. It is the responsibility of the licensee to notify and to return ID cards to SAA when an agent is no longer authorized.

2. Electronic Sales System

The Buyer and Seller acknowledge that SAA has an electronic sales system for the documentation of each transaction conducted at the Auction's facilities. To this end, documents that have historically required signatures by authorized representatives of the parties to the transaction are replaced by computerized records which are made available to authorized representatives of the parties to the transaction. (As allowed by UETA and E-SIGN.) Legal title to each vehicle sold through the Auction's facilities will continue to pass through with the manual signature of the Seller's representative on the certificate of title or equivalent document.

3. Bidder Badges

- a. All Buyers and Sellers are required to obtain a Bidder Badge for each auction they attend. (Even if they are not intending to bid.)

- b. Only representatives with a valid Auction identification card and a Bidder Badge are allowed to bid on and purchase vehicles.

4. Privacy

The Auction will not share information with transporters, dealer customers, or other third parties (exception law enforcement, governmental requests and subpoenas). It is the dealer's responsibility to provide any information it wants to share with its suppliers and customers.

5. Payment

- a. Payments are due on the day of sale, (including T/A sales and pending arbitrations). A \$100 no-pay fee will be assessed on all vehicles not paid for on the day of the sale.
- b. Personal checks, third party: checks, money orders, wires, ACH transfers and drafts are not acceptable.
- c. Cash Policy: A maximum \$1000 cash payment per dealer per auction day is allowed.
- d. Returned checks: A service fee of \$100 will be charged for all returned checks. Dealers will be unauthorized until returned checks and fees are satisfied.
- e. Right to set-off: Dealers grant to the Auction the right to setoff without demand or notice all liabilities to the Auction, whether now existing or hereafter arising, upon and against all funds and vehicles in the possession or control of the Auction.

6. Security

- a. NO retail customers or visitors are allowed. Unauthorized persons are not allowed on Auction premises or on any Auction Internet sites. Any violation of these policies will result in revocation of all trading privileges.
- b. Our security and auction personnel have been instructed to randomly stop and ask individuals at the Auction for their dealer cards. Please do not take offense if you are asked! This procedure is for the benefit of all legitimate dealers. Dealers are responsible for the actions of their employees, representatives and their drivers.
- c. Be advised that video and audio surveillance is used for your safety.
- d. No one is allowed on the premises without a valid driver's license.
- e. All drivers/ reps etc. must be 18 years of age or older.
- f. Theft/vandalism/accident damage of property: Whereas ownership of vehicles or their accessories are never transferred to Southern Auto Auction, the Auction does not assume responsibility for theft or damage. The titled owner of the stolen/damaged property must make claim to his/her insurance company. Any vehicle and/or per-

sonal property left on the premises is done so at the owner's risk. Sales will not be canceled due to theft or vandalism.

- g. No vehicle is authorized to leave the Auction grounds unless it is accompanied by an authorized gate pass. It is the Dealer's responsibility to make any and all arrangements with its transporters. Transporters will be referred to dealers when requesting dealer vehicle information.

7. Abandoned Vehicles on Auction Premises

- a. All vehicles left on Auction premises over fourteen (14) calendar days will be considered abandoned and will be subject to a towing charge of \$50 at the owner's expense.
- b. After fourteen (14) calendar days, a \$5.00 per day storage fee per vehicle will be charged.
- c. After 30 days the vehicle will be towed to a private storage facility. All charges and fees will be the responsibility of the dealer owner, charges and fees are regulated exclusively by the storage facility.

8. Selling/Buying Policy

- a. **Sales on Auction grounds:** Any and all vehicles purchased and/or sold on Auction premises must be reported and transferred through the office.
- b. **Verbal commitments:** Any stipulations, promises or guarantees made between Buyer and Seller must appear on the "bill of sale" or "block receipt" before it may become a part of the transaction. The Auction assumes no responsibility for verbal commitments.
- c. **Information on the windshield** is a courtesy service only. The Buyers/Sellers are responsible for verifying year, make, model, equipment, and mileage readings on the vehicle that is offered for sale. Discrepancies must be brought to the attention of the Auctioneer or block staff on day of the sale. Only the Vehicle Information on the screen behind the Auctioneer and/or announced will be arbitratable.
- d. **Canceling sales:** All sales cancelled by mutual agreement of Buyer and Seller must be reported to the Arbitration window.
- e. **Switching buyers** on sales is not permitted. The only exception made will be for Representatives who buy for multiple dealerships and have multiple bidder numbers and the wrong one was recorded.
- f. **Announcements:** All vehicles purchased with the announcement of Structural Damage/Frame/Uni-body and "Not Actual Mileage" (NAM etc.) must be resold with the same announcements. Failure to do so may result in the loss of Auction privileges and the requirement of the Seller to pay the Buyer's expenses. (At the discretion of the Auction.)

g. Auction Role in Sale:

- Auction makes no representations or guarantees on any vehicle sold or offered for sale.
- Auction is not a party to the contract of the sale. The sales contract is between the Seller and Buyer only.
- 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.
- Auction reserves the right to review any audio/video documentation to verify the accuracy of a sale.
- 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.

h. Warranty sticker: Any vehicle that does not have a warranty sticker, or has a warranty sticker that does not match the VIN, or has a mutilated or illegible warranty sticker may be checked by the State Police/DMV or the National Auto Theft Bureau before it may be offered for sale.

i. Odometer readings: Southern Auto Auction does not guarantee or assume responsibility for the accuracy of odometer readings. This sale is solely a transaction between buying and selling dealers.

j. Vehicle history services can be utilized as a guide to ensure the legitimacy of a vehicle's representation. The Auction reserves the right to arbitrate a vehicle based on its history but is not obligated to do so.

k. Titles and all required documents must be presented by 3 pm on the day of the sale or the Buyer has the option to cancel the sale, unless "Title Absent" (TA) has been announced on the block. (See Title Arbitration Policy)

l. Imports, emissions and safety: Only vehicles manufactured to U.S. specifications may be sold at this Auction. The Auction does not guarantee the operation of SRS or ABS System, or that any vehicle will pass State or Federal safety or emissions tests or standards.

m. SRS - Sellers must ensure that all vehicles equipped with supplemental restraint systems have not been altered. Southern Auto Auction assumes no responsibility for the condition or operation of SRS systems.

n. Liens: All vehicles sold at Southern Auto Auction must be free of all liens, security interest and other encumbrances.

o. Fleet/Lease policies: Recognize that institutional policies may differ from and supersede Southern Auto Auction Arbitration policy.

Review lists and handouts for their policies or contact the Arbitration department.

9. Sales other than through the Block:

- a. **Processed through the Auction:** All vehicles bought or sold on auction premises must be processed through the Auction Office. Failure to do so WILL result in suspension of the trading privileges at the Auction.
- b. **Lot Sale:** A yard deal is a sale completed by Buyer and Seller without the vehicle ever passing through the block. Yard deals take place at the Yard Deal/If Bid window in Lane 10. Buyer and Seller must be present to agree on price and conditions (including any announcements). All Yard Deals are “as-is” purchases by the Buyer and will not be arbitrated.
- c. **“If” bid:** An “If” Bid is any sale in which the Auctioneer does not state the selling price of the vehicle, or “sell under the hammer”. “If” Bids must be completed by the buyer and seller at the Yard Deal/“If” Bid window in Lane 10. All Units sold with an “If” must be resolved within two (2) hours or the buyer can void the sale. Buyer is required to purchase the vehicle if the bid is accepted by the seller in less than two (2) hours. If a Seller makes a “counter offer” to the “If” bid offer, the original offer is deemed rejected and the Buyer is not bound to the purchase the vehicle under the original terms. In this case if the Seller later accepts the original offer, even within the two (2) hour time frame, the buyer is still not bound to the purchase the vehicle. **Rejection of an “If” bid by the Seller must be made to the “If” bid window prior to re-running the vehicle through the lanes.**

“If” Bid sales are subject to the same arbitration policy as other vehicles sold through the auction. Any representations and/or agreements must be noted on the invoice. The Auction will not arbitrate any verbal agreements.

- d. **Delayed sale:** A delayed sale happens when a vehicle passes through the block and doesn’t immediately sell. The Buyer and Seller at a later time come to an agreement on sale price and conditions and revisit the upper block to put the sale together. (This is usually done soon after the vehicle runs through the lane.) Delayed sales will only be arbitrated based on the conditions and announcements made when the vehicle passed through the block.

10. Miscellaneous

- a. **Appearance release:** Southern Auto Auction has permission to use your picture for television, video screens, still photography and/or any other visual/audio recording. You hereby waive all residual rights or claims that might arise from use of your picture or likeness for any purposes at any future date.

- b. **No tipping:** We try to render the best possible service to each customer. Tipping could spoil the service and is prohibited.
- c. **Waiver of Liability / Assumption of Risk and Indemnity Agreement:** The 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, the Dealer, its representative, agents and/or guests voluntarily assume the risk of injury or death inherent in attendance at the Auction.
- d. **Southern Auto Auction reserves the right to change the "Regulating Policy Guide" without notice. The current "Regulating Policy Guide" is available in the office and is posted at the same location and online at SAA.com.**

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 public Vehicle Identification Number (VIN) plate attached to the vehicle. Those vehicles having a re-assigned 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 marred, obstructed or altered in any way.

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 lights and video display system representations are binding on both Buyer and Seller. The system is defined as:

1. Green Light – “Ride and Drive”: The green light signals that this vehicle is “OK” under the conditions outlined in the Disclosure/Discovery Arbitration section, except for specific disclosures or announcements made prior to the sale and is subject to all visible defects. Sold with a “drive”. No defects in the engine, driveline or any arbitratable single mechanical or electrical defect (excluding wear items and accessories on vehicles more than 4 years old) which exceed \$500 to repair.

2. Blue Light – “Listen” – Announcements”: 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. Required announcements under the “Blue Light” are listed in the Arbitration Matrix Disclosure Requirements Disclosure Requirements and in the Title Policies Section. (This light can be used in conjunction with any other light.)

3. Red Light – “As-Is”: Vehicles selling under the red light will only qualify for arbitration under the rules outlined in the Arbitration Matrix section. Vehicles with more than 100,000 miles, sold for \$3,500 or less and/or are older than 10 model years are “As-Is” and must be sold under the Red Light.

“As-Is” means vehicles are sold subject to all defects except: Certain Title, History, and Odometer, Structural, Warranty, Logo/Decal discrepancies and/or defects.

Vehicles sold for \$3,500 or less are sold “Absolute “As-Is” the only available arbitration on these vehicles will be Odometer issues and the following Title Discrepancies Defects: No Title, Not Actual Miles, Flood, Salvage, Reconstructed, Rebuilt, (including history) Government Title, C of O, MSO.

4. Orange Light – “Title Attached/Title Unavailable/Title Absent”:

This light is used to announce that the title is not present at the time of the sale. For Auction rules regarding titles please refer to the Title Arbitration Policy section. If “title attached/unavailable/absent” is not announced, a vehicle could be arbitrated for misrepresentation. This includes not having fully marketable title (missing documents, omissions, and/or errors) received by the Auction by 3:00pm on Day of Sale.

5. White Light – “Salvage”. This light is used to announce Salvage, Total Loss, Rebuilt, Reconstructed vehicles, titles and/or history.

SELLER RESPONSIBILITIES

1. Seller will be held responsible for the accuracy and completeness of all representations or descriptions. This includes handouts, catalogs, vehicle markings, video display, condition information or vehicle listings and verbal or written statements made by Seller, Auction, Auctioneer or Selling Representative at the time of sale. 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.

2. SAA requires Mileage Disclosures for vehicles that are 10 years or older even if deemed exempt from Federal/State Odometer and Title disclosure laws. If a mileage discrepancy is known or apparent to the Seller the Seller must represent all known odometer discrepancies. Unannounced odometer discrepancies are grounds for arbitration.

3. Title discrepancies must be announced including, but not limited to; not actual miles, salvage/rebuilt/reconstructed/total loss, theft recovery, stolen vehicle, flood damage, Lemon Law Buybacks and Trade Assist histories.

4. Announcements are required for any matters that relate to the safety or integrity of the vehicle including but not limited to 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.

5. 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 the Arbitration Matrix.

6. 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.

The Buyer must notify the Auction on Day 15 or 16 of the intent to cancel the sale. The vehicle must be returned by the next Wednesday.

The Buyer is advised not to sell or spend money on the vehicle until the title is received. (Reimbursement for any expenses other than transportation will not be required.) Per CT Public Act #07-172

When Title Absent is announced, a \$50 fee will be assessed. When Title Absent, Letter of Correction and/or Repo Papers etc. is not announced, an additional \$50 fee will be deducted from the Seller's check.

If, after 90 calendar days, Seller has not produced negotiable title and Buyer has not returned the vehicle, this title guarantee shall not apply and Auction shall have no duty to produce the certificate of title to the Buyer and shall have no duty to pay Seller.

10. Vehicles lacking a properly assigned title or reassignment to transfer a title at time of sale must sell "Title Attached/Title Unavailable/Title Absent", unless announcement is not required within the region.

11. Vehicles lacking lien release or a valid repo affidavit for a repossessed vehicle (where allowed by law) must be sold "Title Attached/Title Unavailable/Title Absent", unless announcement is not required within the region.

12. 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.

13. 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.

14. **Mileage Error on title:** 250 miles or less is not arbitratable.

15. Sellers are not responsible to provide separate lien releases for vehicle being shipped out of the country.

16. **Exempt Miles Titles:** Sellers are required to disclose mileage and announce if there is any mileage discrepancies, odometer etc.

GREY MARKET VEHICLES

1. Eligible Vehicles

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 US equipment and safety regulations and then certifies it as compliant, and an independent commercial importer who modifies the vehicle to comply with US 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.

2. Seller Responsibilities

Seller must inform Auction that a vehicle has grey market history at time of registration and must disclose that to the buyer in writing as an announced condition on all documentation supporting the transaction.

3. Proper Conversion

- a. 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.
- b. 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. 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
 - iii. Meet ALL Federal D.O.T. / E.P.A. Mandated Guidelines
 - iv. Documentation must be provided
- c. All vehicles, 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.

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 48 months 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. Seller will ensure that the title must be reassigned directly to Buyer. Any title assigned directly to facilitating 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 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. Applications or other documents related to a duplicate title will not be accepted, unless announced as such or if allowed by the appropriate jurisdiction.

8. Foreign titles, such as Canadian titles, are unacceptable.

9. Seller has up to a maximum of 14 calendar days for title to be received by Auction (When Title Absent (TA) is announced or accepted.) **[sale day is day (1)]**.

After the 14 calendar day period, it is the Buyer's option, within the next two business days (15th or 16th day, to decide and notify the auction of their intention, if the vehicle is to be returned.

Seller Disclosure Requirements	Disclosure Required		Arbitration Period			
	<i>Green Light</i>	<i>Red Light</i>	<i>Green Light</i>	<i>Green Light</i>	<i>Red Light*</i>	<i>Red Light*</i>
	OK	As-Is	In-Lane	On-Line	In-Lane	On-Line
Engine / Transmission / Drivetrain / 4X4 / Electrical / ABS Problems*	Yes	No	Day of Sale***	2 Days**	N/A	N/A
Sludged Engine	Yes	No	7 Days	2 Days**	N/A	N/A
Cracked / Repaired: Block, Trans. or Diff. Case	Yes	No	7 Days	2 Days**	N/A	N/A
Vehicles not equipped with air conditioning (10 calendar years or newer)	Yes	No	Day of Sale	2 Days**	N/A	N/A
Vehicle Accessory Electrical Problems (calendar year and up to 4 years old)	Yes*	Yes*	Day of Sale	2 Days**	N/A	N/A
Warning Lights (see policy requirements)	Yes*	Yes**	N/A	N/A	N/A	N/A
Emission Control Equip: Altered, Missing, Inop	Yes	No	Day of Sale***	2 Days**	N/A	N/A
SRS / Air Bags – Defective / Missing or deployed – not required to spec.	Yes	No	Day of Sale***	2 Days**	N/A	N/A
2WD on any vehicle available with AWD/4WD	Yes	No	7 Days	2 Days**	N/A	N/A
Paintwork (3 panels or more) on current model year and newer (bumpers not included)	Yes	No	Day of Sale	2 Days**	N/A	N/A
Fuel Conversion	Yes	No	7 Days	2 Days**	N/A	N/A
Non-orig. Engine – excluding items replaced under mfg. warr. (Calendar yr & up to 4 yrs old)	Yes	No	7 Days	2 Days**	N/A	N/A
Logo or Decal misrepresentation	Yes	Yes*****	7 Days	2 Days**	7 Days	2 Days**
Not Acutal Miles / Inoperative Odometer#	Yes	Yes*****	7 Days	2 Days**	7 Days	2 Days**
Bio-Hazard vehicle (both cleared and/or contaminated)	Yes	Yes	Day of Sale	2 Days**	Day of Sale	2 Days**
Clutch only if unable to move	Yes	No	Day of Sale	2 Days**	N/A	N/A
Head Gasket	Yes	No	7 Days	2 Days**	N/A	N/A
Structural Damage (existing, altered, or repaired per Structural Damage Policy	Yes	Yes*****	7 Days	2 Days**	N/A	2 Days**
Flood Damage (by Auction Inspection)	Yes	Yes*****	7 Days	2 Days**	7 Days	2 Days**
Any State required damage disclosure	Yes	Yes	7 Days	7 Days	7 Days	7 Days
State-issued VIN plates (including kit vehicles)	Yes	Yes*****	7 Days	2 Days**	7 Days	2 Days**
Taxis, Livery vehicles, Police cars, Govt. vehicles that are Calendar yr & up to 5 yrs old	Yes	No	7 Days	2 Days**	7 Days	2 Days**
Previous Canadian that are calendar year and up to 4 years old	Yes	No	7 Days	2 Days**	7 Days	2 Days**
Lemon Law / Mfg. Buyback / Trade assist (calendar year and up to 5 years old)	Yes	Yes	7 Days	2 Days**	7 Days	2 Days**
Voided Factory Warranty (calendar year and up to 5 years old)	Yes	Yes	7 Days	2 Days**	7 Days	2 Days**
Flood Damage history (discovered by DMV or Insurance company records)	Yes	Yes*****	120 Days	120 Days	120 Days	120 Days
Vehicle sold with no title (Bill of Sale Only)	Yes	Yes	7 Days	2 Days**	7 Days	2 Days**
Vehicle being sold with a CO, MSO, repo affidavit, letter of correction or Govt. title appl.	Yes	Yes*****	7 Days after Receipt of Title	7 Days after Receipt of Title	7 Days after Receipt of Title	7 Days after Receipt of Title
Salvage Total Loss or Reconstructed / Theft Recovery / Stolen vehicles (including history)#	Yes	Yes*****	7 Days	2 Days**	7 Days	2 Days**
Gray Market vehicles**	Yes	Yes*****	7 Days	2 Days**	7 Days	2 Days**
Insurance and/or Salvage Titles (inc. history)#	Yes	Yes*****	7 Days	2 Days**	7 Days	2 Days**
Vehicles Sold for \$3,500 or less unconditional “As-Is” except for some title and odometer issues.						

These transtans may be subject to arbitration regardless of the state time limits. Arbitrations initiated after the stated time period will be addressed via the depreciation formula described in the Title Arbitration Policy
* In lane must announce defects that are singularly \$500 or more to repair
* On-Line must announce defects that are singularly \$500 or more to repair
** Days after receipt of the vehicle not to exceed 10 days
*** Up to 7 days if in the estimation of the auction the issue could not be detected on day of sale (only when warm, only when cold, over 40mph etc.)
**** As is sales usnder \$3500 are sold unconditionally. The only required announcement will be: title absent or non-titled, NAM, salvage/reconstructed
***** If after diagnosis it is found that it would cost more than \$500 to repair
***** If sold for over \$3500 and less than 10 years old on Red Light / As-is vehicles
NOTE: Certain Corporate accounts may have unique arbitration policies that supercede SAA policies. (Listen to announcements at the beginning of each sale and/or see handouts and/or the Arbitration Department with questions.

Arbitration Matrix

7. 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, commissions and detail charges) 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 the reasonable and documented expenses at auction (wholesale) cost.

8. 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.

9. Seller's Green Light – The Seller's Green light is an optional announcement to be used by a selling dealer on the block for vehicles that do not qualify for the Auction "Green Light" (due to miles or year). This announcement indicates that the dealer is guaranteeing the mechanical/electrical systems for arbitratable issues for a period of 3 days. If the buying dealer discovers an arbitratable issue within the 3 days (day of sale is day 1) he may open an arbitration within those 3 days. The vehicle must be returned by the 7th day before 4:00pm and the issue must be confirmed by the auction as arbitratable. Seller's Green Light announcements are limited to vehicles with 125,000 miles or less and on vehicles less than 10 years old.

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. Online 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, Orange, Red, Blue, White), which identify various sale conditions for the vehicle. Once the vehicle is sold, the Buyer should check 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 an Online Buyer should have a Post Sale Inspection (PSI) on vehicles purchased.

3. The auction will not arbitrate vehicles based upon any unintentional errors or omissions of any promotional information related to the vehicle, handouts, catalogs, vehicle markings, or vehicle listings as they are for the convenience of the buyer and are not to be relied upon as accurate or complete.

4. Buyer agrees to be liable for any and all work done to a vehicle (including a vehicle purchased as title attached, unavailable or absent) prior to returning the vehicle to Auction except on vehicles arbitrated for undisclosed conditions not detectable through vehicle inspection including but not limited to: not actual miles, salvage, total loss, rebuilt/reconstructed, theft recovery, stolen vehicle, flood damage, Lemon Law buybacks and trade assist.

5. The Buyer is financially responsible for any pending sale and assumes all risk of loss until arbitration is final. Buyer is required to pay for all vehicles, even on vehicles submitted for arbitration.

6. The Buyer or Buyer's agent (transporter or driver) should note, and provide to security, any obvious 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 obvious damage not identified on the gate release or the condition report once the vehicle is removed from the location.

7. 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.

8. 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.

9. There may be a charge of \$ (*) per mile for excessive mileage on a returned vehicle at the discretion of the Auction. *(See arbitration for rates. Rates are based on year, model and mileage of vehicle.)

10. The Seller/Auction shall not be liable for any vehicle sale or repairs made by the Buyer before the title is received by the Buyer. If the title has been mailed/sent from Auction to Buyer, Buyer may not return vehicle. (See Title Policy for further explanation.)

ARBITRATION GUIDELINES

Vehicles that have any of the defects outlined in the Arbitration Matrix that were not disclosed or announced at the time of sale must be reported to Auction within the time frame noted in order to be eligible for arbitration. The only exception is in the case of the purchase of a Post Sale Inspection(VIP) The purchase of this service may increase arbitration timeframes of items covered in the auction's VIP policy. Vehicles must be returned to Auction in the same or better condition than when purchased.

1. Time Period

Refer to Arbitration Matrix for arbitration time periods. Sale day is Day 1. Arbitration shall end at the close of business (4:00pm) on the last calendar day in the time period.

2. Process

Any single arbitratable mechanical/electrical defect that has a repair cost of \$500 or more is subject to arbitration on Green Light vehicles. Each vehicle transaction is allowed one chance at arbitration. The arbitrator will inspect only the defect that is on the arbitration form/documents. Repair costs will be determined by the Auction and will reflect the auction cost to repair. If price adjustment is made and accepted, vehicle becomes "As-Is" property of the Buyer, and is not subject to any further arbitration. The auction management makes the binding decision upon both the Buyer and Seller on all arbitration matters.

3. Fees

Auction reserves the right to assess an arbitration fee in addition to any charges* associated with the arbitration to the Buyer if the arbitration is in-valid. If the arbitration is valid, Auction reserves the right to assess an arbitration fee to the Seller in addition to any charges* associated with the arbitration. *(Charges can include: diagnostic costs, supplies, parts, labor etc.)

- a **Unannounced Structural Damage:** Dealer offered previous rental vehicles if determined to have Unibody/Frame damage and not announced, dealer will be charged a **\$200** "Unannounced Structural Damage Fee".

4. Condition Reports: If the photos and the condition report do not match, the Buyer is to assume that the portion of the CR that indicates a detrimental condition should be assumed to be correct.

5. Not subject to arbitration:

- a. All properly announced conditions.
- b. Kit vehicles, homemade vehicles, or modified vehicles are sold "As-Is" and cannot be arbitrated for odometer, frame, warranty books, or model year.

- c. Noise and Inherent Conditions: No arbitration can be based on noises or conditions that are inherent or typical to a particular model or manufacturer, unless deemed “excessive” by the arbitrator.
- d. Manual Transmissions: Vehicles with standard transmissions cannot be arbitrated for manual clutches unless the vehicle will not move.
- e. Wearable Items: Auction will not arbitrate vehicles for wearable items. For purposes of this policy wearable items are defined as parts of the vehicle that the manufacturer recognizes the need for replacement/adjustment during the expected life of the vehicle. These items are normally identified in the Owner’s Manual for routine check and replacement and would include, but are not limited to: tires, wipers, brake pads, shoes, rotors, belts, hoses, lubricants/fluids, timing belts, bulbs, filters, shocks (including air suspension components) and struts.
- f. Unsafe vehicles: Auction reserves the right to reject any vehicle that management judges to be unsafe.
- g. Vehicles may not be arbitrated based solely upon information provided in Electronic Data Vehicle Histories (EDVH) or printed EDVH reports. Auction and Seller are not bound by information listed in EDVH. 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.
- h. 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.

STRUCTURAL DAMAGE POLICY

The purpose of the Structural Damage Policy is to define and clarify terminology associated with structural damage and to specify the disclosure requirements of the seller for vehicles offered at auction. 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.

Definitions

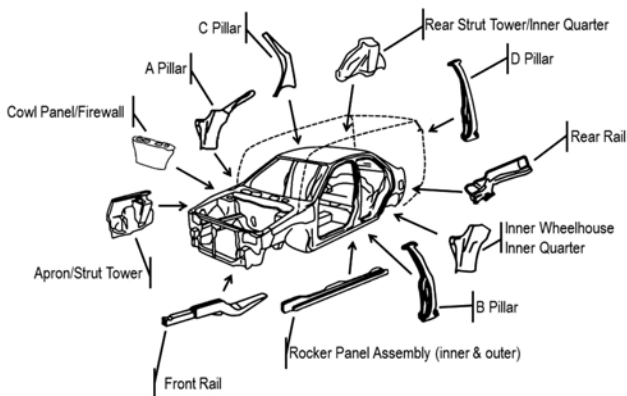
1. Vehicle Structure – The main load-bearing platform of a vehicle that gives strength, stability and design exclusivity and to which all other components of the vehicle are fastened. For purposes of this policy, there are three macro types:

- a. **Unibody** – A type of structure whereby the floor, roof, panels, etc. are bonded together into one unit, thereby eliminating the need for a separate conventional frame. Unibody structures are typically shorter, sturdy and have thinner wall thickness.
 - b. **Unibody on Frame** – A type of structure whereby a unitized structure is bolted to a conventional frame.
 - c. **Conventional Frame** – A type of structure consisting of two symmetrical rails (beams) connected by cross-members.
- 2. 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.

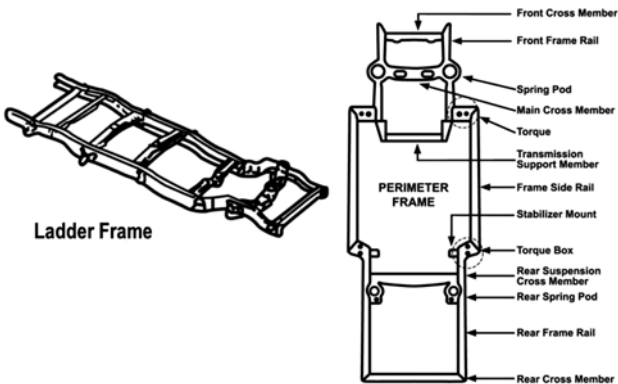
Recommended Disclosures

- 1. "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.
- 2. "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).
- 3. 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.

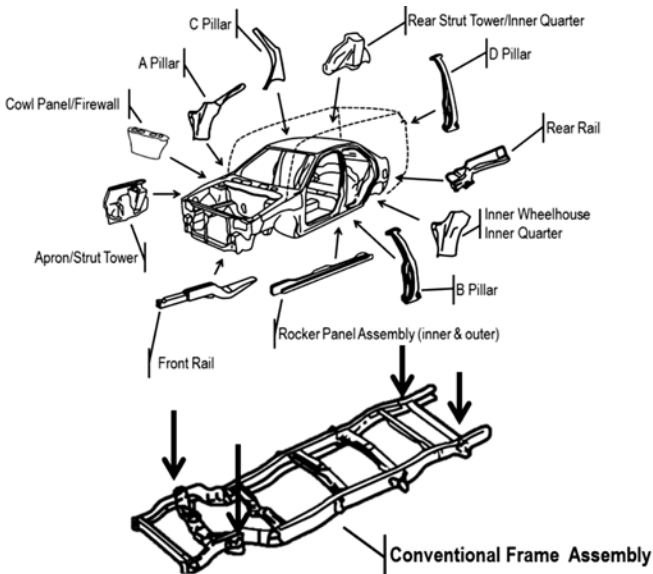
Typical Unibody Components



Typical Conventional Frames



Typical Unibody on Frame Components



STRUCTURAL DAMAGE DISCLOSURE MATRIX

Structural Components	Structural Damage Disclosure Requirement		
	Unibody	Unibody on Frame	Conventional Frame
1. Frame Rails Including front, center and rear rail		Existing Damage, Removed, Repair or Replaced	
2. Spring Pad, and Torque Box or Stabilizer Mount	N/A	Existing Damage, Removed, Modified, Repaired or Replaced	
3. Cross Members (Except Bolt-Ons)	N/A	Existing Damage, Removed, Modified, Repaired or Replaced	
4. Apron Assembly	Existing Damage, Removed, Modified, Repaired or Replaced		NONE
5. Strut Tower Assembly	Existing Damage, Removed, Modified, Repaired or Replaced		NONE
6. Cowl Panel / Firewall—excluding cowl vent panel	Existing Damage, Removed, Modified, Repaired or Replaced		NONE
7. Support Pillars "A", "B", "C", or "D"* Pillars	Existing Damage, Removed, Modified, Repairs or Replaced		
8. Roof Braces / Bows	Existing Damage, Removed, Modified, Repairs or Replaced		
9. Rocker Panel – Outer	Replacement Only		NONE
10. Rocker Panel – Inner	Existing Damage, Removed, Modified, Repaired or Replaced		NONE
11. Floor / Trunk Panels	Torn and/or Perforated if 1" or more		NONE
12. Quarter* or Cab Panel*	Replacement Only		NONE
13. Inner Quarter Panel Assembly (includes wheelhouse panel/rear strut tower and wheelhouse extension lower)*	Existing Damage, Removed, Modified, Repaired or Replaced		NONE

* Only applies to components deemed structural per the OEM. Not all manufacturers recognize the C Pillar or Cab Panel as structural components.

VIP (VEHICLE INSPECTION PROGRAM) POLICY

Our Vehicle Inspection Program (VIP) – one of the finest in the industry nationwide - gives you a 7 or 14 day vehicle guarantee so you can be secure in your purchases. (Day of sale is day 1.)

Southern Auto Auction's trained professionals will road test and inspect your vehicles to reveal problems subject to arbitration.

How it works:

- When winning the bid: Online; click on the VIP Link and select the VIP you desire. At Auction: notify Lower block clerk, Help desk or VIP window.
- Provide us with contact information so we can contact you in case of an arbitratable issue.
- You will be notified if the vehicle failed any item subject to arbitration.
- When the vehicle arrives at your dealership, perform the standard safety and service test.
- If you discover a defect in a system or component specifically covered by the VIP Checklist and the Auction's arbitration policy within the time frame of the VIP you selected, we will reimburse the cost of the repair up to \$1,000 maximum.

Programs:

- 14 Day Comprehensive check \$250.00 (if cancelled day of sale \$125.00)
- 7 Day Comprehensive check \$150.00 (if cancelled day of sale \$75.00)
- 7 Day Mechanical check \$100.00 (if cancelled day of sale \$50.00)
- 7 Day Frame/Unibody check \$50.00 (if cancelled day of sale \$50.00)

Conditions:

- Only Green Light vehicles of current model year and up to 10 years old with less than 90,000 miles are eligible for comprehensive and mechanical inspections. (See arbitration for excluded vehicle / condition list.)
- Red Light vehicles sold for over \$3,500 are eligible for Frame/Unibody check only.
- Verification of claims will require a diagnosis and repair estimates obtained at a facility chosen by Southern Auto Auction.
- Transportation charges are not subject to reimbursement.

VIP Checklist:

- Frame/Uni-body (Damage / Repair)
- Oil (Check Level)
- Engine (Noises / Performance)
- Transmission/Transaxle (Noises / Performance)
- Odometer (Operational)
- Drive Train (Noises / Performance)
- Power Steering (Operating)
- 4X4 (Noises / Performance)
- Convertible top (Operating)
- Airbags (Present)

Not covered by guarantee: Head Gaskets on Subaru, Transmissions on Mazda, Automatic Transmission on VW.

(Guarantee will apply only to those items listed in the checklist above that also qualify under the Arbitration Guidelines of SAA.)

You will be contacted after the inspection only if we find an arbitratable issue that would cause the sale to be cancelable.

The cost of the VIP will be added to the final invoice for each vehicle and added to the purchase summary. (Except on those vehicles floor-planned with companies that exclude post sale inspection fees.

These will be bill to the dealership weekly.)

If Bid Policies:

- **Buyer** is responsible to check on all If-Bids after the 2 hour time frame
- **Buyer** must pay for all won If-Bids on Day of Sale
- **Seller** and **Buyer** are allowed only one (1) counter offer per If-Bid
- If **Seller** counter offers an If-Bid the Buyer is no longer obligated to the original If-Bid price.

ONLINE RINGMAN POLICIES

- Online purchases are subject to all policies, regulations and arbitration rules included in the current Regulating Policy Guide of Southern Auto Auction.

Online Purchases are subject to an additional "Online Ringman Fee".

- Southern Auto Auction strongly recommends inspection of vehicles by dealers prior to bidding. Vehicles offered online are available for inspection in advance of bidding.
- Southern Auto Auction is not responsible for online system failures.
- Proxy bids that are not acknowledged at the drop of the gavel will not override the accepted bid by the auctioneer.
- Dealers are responsible for any bid accepted under their authorized login information.
- All vehicles purchased must be paid for by noon time on the Friday after the sale.
- Payments not received by Friday noon-time will incur a \$100 per vehicle no-pay charge.
- Vehicles and Titles will be held until acceptable payment is received.
- Condition reports on Online Ringman vehicles contain only the information required by each account's condition writing policy. The extent of such information is individually determined. These are wholesale condition reports and thus should not be relied upon to determine the retail condition of the vehicle.
- Repair and damage estimates in the condition reports are wholesale estimates and approximations and are not to be perceived as a complete and thorough account of the vehicle's condition. These estimates are not subject to arbitration, cancellation or adjustment by the Seller or the Auction. "Undisclosed Damage" is not arbitratable. If damage is listed without a dollar value disclosed the Buyer should assume there is damage present and there will be no arbitration for this damage no matter the value of the required repair. Buyer Beware!
- "Certified" vehicles are processed through individual accounts according to their "certification" policies. These are wholesale certifications and are not to be relied upon as being as extensive as retail certification programs. (Normal arbitration rules apply.)
- Warranty books, service books, keys, remote controls, shift knobs, navigation discs, etc, are not guaranteed to be provided with vehicles offered for sale.

- Online Buyers are responsible to listen to all announcements and watch the “Light System”. Arbitrations, cancellations or adjustments will not be made due to Bidder neglect or error.
- All bids submitted and accepted are considered binding. “Accidental” bids are not subject to cancellation.
- Southern Auto Auction strongly recommends a “VIP” (vehicle inspection program) inspection on all vehicles purchased online. This inspection program provides a guarantee and may extend the limits of the arbitration period. Call 860-654-8844 for details.

AUCTION TIPS

When Selling

Consign Early

The sooner your vehicles can be entered into the auction’s database the better – buyers can find them earlier and put them on their buy lists.

Know the Market

Study auction Market Reports (both printed and online) carefully to determine what your vehicle is worth. Take into consideration seasonal adjustments to prices as well – convertibles do well in spring and summer and SUVs better in the fall & winter months, etc.

Build a Reputation

Although no eBay style feedback rating at auto auctions exists, buyers quickly form an opinion of you as a seller. The better your reputation, the more bidders you’ll have in your lane.

Appearance Matters

Reconditioning and detailing make a difference and can yield good returns.

When Buying

Do Your Homework – take advantage of auction information systems.

The night before the auction use the database search function on the auction’s web site to create your final buy list. On auction day check the database from the kiosk for last minute consignments.

Finally, download the consignment database to your PDA and take it with you in the lots and lanes.

Arrive Early and Walk the Lot

There's no substitute for doing a thorough preview of the vehicles you wish to purchase. Sort and prioritize your best picks and assign values to your favorites.

Make Yourself Known to the Auctioneer

It's important to let the auctioneer or ringman know you are interested in a vehicle. There are many styles of bidding and the auctioneer will take note of yours.

Don't lose the Vehicle for the sake of \$100

One more bid might get you the car you need.



Revised 2-1-2014