



McDaniels / Federal Odometer Policy

McDaniels is strongly committed to enforcing and adhering to Federal & State Odometer Disclosure laws and regulations. We feel it is consistent with our Honesty & Fairness Policy described in other documents. The specific Federal law is governing odometers is:

Motor Vehicle Cost Information Act, 49 U.S.C. Section 32704

1. (It shall be unlawful for a person) "with intent to defraud, operate a motor vehicle on a street, road, or highway if the person knows that the odometer of the vehicle is disconnected or not operating; or
2. The owner of the vehicle or agent of the owner shall attach a written notice to the left door frame of the vehicle specifying the mileage before the service, repair, or replacement and the date of the service, repair, or replacement.
3. A person transferring ownership of a motor vehicle shall give the transferee the following written disclosure
 - A) Disclosure of the cumulative mileage registered on the odometer,
 - B) Disclosure that the actual mileage is unknown if the transferor knows that the odometer reading is different from different from the number of miles the vehicle has actually traveled.

(b) Mileage Statement Requirement for Licensing. - (1) A motor vehicle the ownership of which is transferred may not be licensed for use in a State unless the transferee, in submitting an application to a State for the title on which the license will be issued, includes with the application the transferor's title and, if that title contains the space referred to in paragraph (3)(A)(iii) of this subsection, a statement, signed and dated by the transferor, of the mileage disclosure required under subsection (a) of this section.

Courts generally award treble (triple) damages for any violation of the above law, including 'clerical' or 'administrative' errors. Damages are usually defined as the full value of the vehicle. McDaniels wants to avoid this potentiality, and wants to protect our reputation and the trust we have earned from our Clients over the years. To that end, all Associates should always practice the following:

- Record the exact odometer reading from the vehicle! Do not include 'tenths'. Do not add mileage to the reading from a sticker affixed to the vehicle. Do note if the odometer is not working, has exceeded its mechanical limits, or has been replaced. Associates are

legally responsible for the reading-they cannot ask someone else what they think the miles are and use that as a legal disclosure.

- Repair Orders, including warranty Repair Orders are legal documents. Submitting fraudulent or negligently written ROs is grounds for denying the entire claim, and possibly grounds for other sanctions. ANY DOCUMENT IN THE DEALERSHIP THAT REQUIRES A MILEAGE READING SHOULD BE TAKEN DIRECTLY FROM THE ODOMETER – NO EXCEPTIONS!
- Customer Pay Repair Orders. Improper mileage readings can be held against the Dealership in a court of law. Again, READINGS DIRECTLY FROM ODOMETER!
- **McDaniels never sanctions odometer rollbacks or tampering, on aiding and abetting anyone in this practice!** Personnel should look for signs of odometer tampering or fraud, including improperly aligned odometers, fingerprints around the odometer display or excessive wear on the vehicle given the mileage reading on the odometer. McDaniels should avoid purchase of a vehicle if fraud is suspected. Notify Management BEFORE warranty work is performed on suspect vehicles. All Pre-Owned vehicles should be checked against a database (CARFAX, etc.) unless the vehicle is known to McDaniels (sold here, service records, regular customer, etc.).

Any Associate who observes another Associate not following these procedures is required to immediately report these infractions to Senior Management or the Human Resources Director. Failure to report this misbehavior will be interpreted as complicity in the infraction! Any Associate who suffers from a medical condition (dyslexia, poor eyesight, etc.) that affects their ability to effectively perform this duty is strongly encouraged to work with their supervisor to employ a strategy to comply with the required outcome of the law and our Policy.

As with all McDaniels policies, ideas for improvements or questions are welcomed and encouraged!