

## **"Business Is Slow and I Need More Leads!"**

**By Mike Lee co-founder DRIVE**

It is not unusual for some of our good clients to occasionally say they were doing ok, but it has slowed down. This is one of the areas, which drive shop owners crazy. Just when he or she thought they were going to make some real money. The business slows down.

There are several possible sources for this type of problem but the one we are going to discuss in this article is:

### **"If Business Is Slow; It Is ALWAYS The Service Advisor".**

I cannot tell you the number of times, I hear about shops having problems and suddenly they change the Service Advisor and BOOM, the business takes off.

The key to one shop being busy and another not is, by in large NOT luck or accidental. Often, the successful business has a Service Advisor who is good at selling, while those shops not doing well try to figure out where did all the customers go. Let us look at some Service Advisor basics which cause the shop to be busy or not.

### **Selling Is a Necessary Evil!**

A Service Advisor needs to like people. It is amazing how many people are Service Advisors and really do not like to deal with or talk to customers. A good Service Advisor likes people and enjoys talking to them.

Often, when we interview Services Advisors from shops around the country, they will indicate that Selling Is a Necessary Evil! Which is a sure-fire indicator the Service Advisor does not like dealing with people.

### **I Don't Want To Make Them Mad!**

A Service Advisors must be willing to handle customers, even the tough ones. A good Service Advisor is not AFRAID of the customer!

A Service Advisor must have the ability to tell customers things which the customer does not want to hear. Upsetting things, like it is going to cost more to get the car fixed. Unfortunately, some Service Advisors are afraid to handle customers and tell them the TRUTH. It costs MONEY to fix cars!

Some Service Advisors are so afraid of upsetting the customer and not willing to make them mad they resort to not telling the customer the full story on his car. They try to sell only what they THINK the customer will pay for the job instead of asking for the money on the full job.



They suffer from the "Tricky Lower Jaw Disease." This is the disease that afflicts Service Advisors when they go to tell the customer that the repairs are going to cost \$750.00 and their lower jaw goes into stutter mode and \$450.00 comes out of their mouth!

### **I Never Want To Rip a Customer OFF!**

Some Service Advisors have an exaggerated sense of their own personal integrity and are careful to make sure they are never going to rip-off the customer, especially by not OVERCHARGING for the work that NEEDS to be done.

Again, this decision leads to the Service Advisor being a RIP-OFF ARTIST. They ends up Ripping Off the business, the employees and the employees' families, the owner and his or her family and even his or her own spouse & kids.

It is the responsibility of the Service Advisor to sell needed work profitable, so that all the employees and the owners of the business make enough money for them to live comfortably.

This comes from not knowing what a FAIR price is for both the customer and the business. Most shops set their prices based on the "GRAND FAKEM METHOD". Their prices are not based on their costs but what their competition is charging. Of course their competition is going broke, but they have to be competitive.

### **Can't You Give Me A Ball Park!**

Price Shoppers! This is the area which causes a lot of Service Advisors to go nuts. A great many of Service Advisors are NOT good at handling potential customers over the phone! Some shops quote prices for major work over the phone to new retail customers.

This comes from not knowing how to handle price shoppers and in some cases; the belief a shop MUST give prices over the phone for major work.

The truth is good Service Advisors will normally be able to get 20% to 30% more business if they learn how to handle price shoppers and do not quote prices for major work over the phone. There is a technology to effectively selling. Most Service Advisors have not had any professional training.

The result is a loss of income for the business and a lot of frustration.

### **I Need To Speak To A Technician!**

A lot of women are involved in the automotive business and many let the lack of training stop them from becoming Service Advisors. They are afraid that male customers will not be willing to listen to a woman because she is not a technician.

At DRIVE we have found a lot of women have the ability to be very effective Service Writers. Some of the most effective Service Advisors in the industry are women who have learned to handle customers.



One of the main reasons is the less technical knowledge a person knows, the better, in terms of selling work.

### **I Want To Think It Over!**

This is an indicator that the Service Advisor is NOT communicating correctly with the customer. What the customers are saying with the famous "I want to think it over" statement is they are in confusion and are not sure what the Service Advisor is telling them is true.

Customers, who are in confusion, will not buy! They will go somewhere else. A trained Service Advisor should know whether or not the customer is tracking with them and what they are thinking BEFORE he or she gets to the end of the sale and finds out the customer wants to think it over. When the customer says:

1. I have to talk it over with my wife.
2. I want to think it over.
3. I will have to wait.

They are really saying that the Service Advisor has not sold me YET! A lot of Service Advisors spew out their sales procedure unaware of what the customer is REALLY thinking. The Service Advisor is not in good communication with the customer but is just talking at the customer. The customer is wondering if it really needs the work and the Service Advisor is telling him how much.

The customer is in confusion and the Service Advisor does not know it. This is because the Service Advisor has not been trained. Most Service Advisors lack the selling techniques, and really are not in communication with the customer. When this happens, the shop loses sales and customers.

### **The Phones Are Not Ringing!**

This is a favorite statement made by Service Advisors when sales are down. While every shop has one or two weeks which are slow, overall if sales are down, and there is any shop in town that is doing well, the problem is the Service Advisor.

It takes a person who is motivated, who likes people and doesn't have his or her attention on other things to be good at sales. One of the problems with the owner being the Service Advisor is he or she is splitting their attention among lots of things which need to be handled. If they have something pressing which needs to be handled, sales will DROP. It does not take much for a shop to lose 2 or 3 jobs a week when the Service Advisor is not focused.

This is why it is best to have someone whose sole function is sales. The key point in terms of the sales of the shop when you have a Service Advisor is the rule: It is always the Service Advisor.

I can recall numerous occasions when a client indicated the sales were down and I gave them the rule. When they got into communication with their Service Advisor, they found that he or she were having



marital problems, or they had a sick child, or something going on in their personal life which they had their attention on and were not doing as good of a job as they normally would handling customers.

When a shop has been growing, and sales have been good then suddenly it starts to go down, the first thing you need to do is talk to your Service Advisor and find out what is going on. They will say it is slow and the phones are not ringing. That is a sure-fire indicator, the Service Advisor has something going on which is preventing him or her from doing their best.

Being a Service Advisor requires a person's full attention. They must like people and must be willing to tell them things which the customer does not want to hear. They must know how to do it and need to have good communication skills to know what the customer is thinking.

#### **The Solution to the Above Problems**

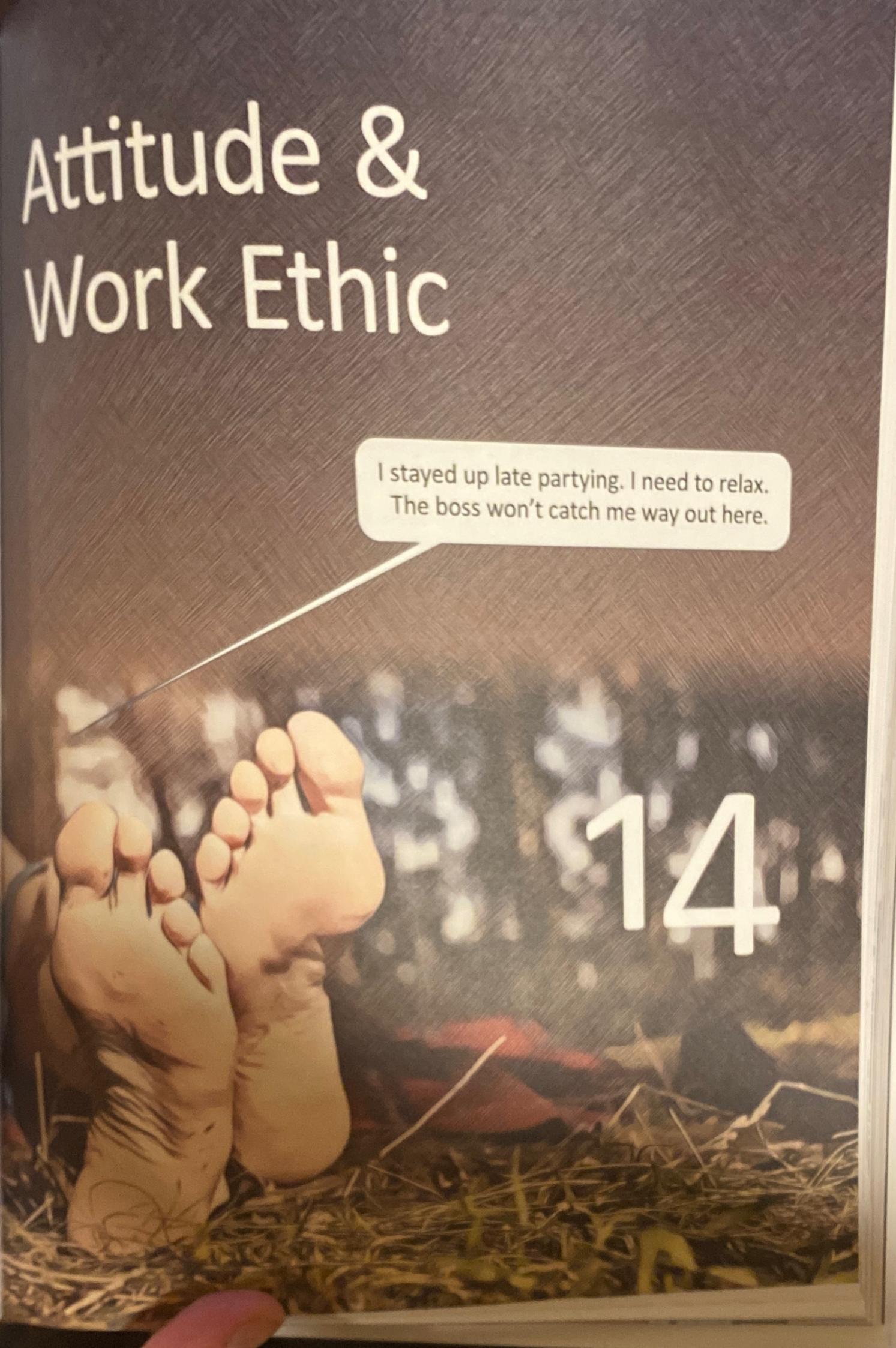
Just as you would not put a new person with no training, and knowledge on a tough computer diagnostic problem on a car, the sharp business person will make sure the Service Advisor in his or her shop is knowledgeable in the tech of sales and has all the tools necessary to do a good job.

I recommend to all of our clients who have started their training in managing a business to come to the DRIVE Pro Service Advisor Sales workshop and bring their Service Advisors to learn the tech of selling, and good communication skills. This is a tough course! It will demand a lot out of the attendees and it will improve everyone's communication and sales skills. But it is only MONEY, YOURS!

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# Attitude & Work Ethic



I stayed up late partying. I need to relax.  
The boss won't catch me way out here.

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## Winning Attitudes

Customers instinctively start judging your employees' attitudes and work ethic the instant they make contact, and they continue to judge your team's behavior from vehicle drop-off all the way through final payment and delivery of their vehicle.

Your employees interact with your customers many times every day. What are the most prevalent attitudes your employees express toward your customers and each other? How do they feel and behave regarding the work itself in your shop?

### What's your team's work ethic?

Work ethic is a person's determination to get jobs and tasks done.

Some owners, managers, and employees are incredibly conscientious about their work. They take it personally. They consistently strive for excellence.

Others may not care much. They may think it's no big deal if someone messes up a thing or two. They may decide, "It's okay—someone else will fix it."

You and your manager must be fully aware of each team member's work ethic. Why? Customers notice. Each employee notices the degree of professionalism and work ethic in one another.

Every new employee has a different work ethic and idea of what it means to be helpful, honest, fair, and to offer reliable service. You must help them understand YOUR standards and continually demand that they meet them. More than anything else, your team's work ethic and attitude distinguish your business from the competitors.

## Training to Command

Taking command doesn't mean you're unfriendly or behaving rudely. It means you're taking full control over your responsibilities. You learn how to take command of your professional work through training and practice. Focus on developing core competencies of critical tools, including equipment skills, technology, finances, customer relations, and other essential job skills.

Everyone on your team must have full command over their work. They're in charge of what THEY do. They must own THEIR results. While on the job, expect every employee to be in command of their own attitude. Start with your employees' willingness. Do they want to do a good job? If they don't, then replace them.

### Coach's Corner

**Where there's a will, there's a way.**

Barriers fall by the wayside in the face of a decision, will, power and action. Here's the fundamental sequence to everything in a shop.



1. Decision. Decisions establish will.
2. Will. One's will emanates command and power.
3. Command intensifies power.
4. From power comes action.
5. Organized action yields results.

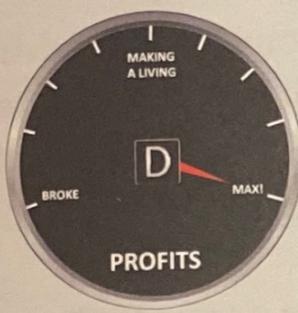
Without a decision, projects and tasks never get started. That's why decisive individuals get results and indecisive people are pushovers. Those who idle in "maybe" generate very little power and struggle with results. Make decisions, bring your will and power, go into action and press it all the way to results. Teach this. Live this.

When a person commands their surroundings, their WILL comes forth. Coach this. Expect achievement. Demand results. It can be great fun!

Beware of any employee who simply does the easy work instead of what the vehicle really needs. Everyone should be willing to do the most challenging and straightforward tasks when asked.

Work in a shop can be overwhelming at times. The best employees help ease the stress. One employee throwing jobs on another because it's "beneath them to do it" demonstrates a poor work ethic.

**There should be minimal noise and conflict between the front and back.** True teamwork snaps and pops. It's easy to see when an entire crew is effective and efficient. A real team in action is a pleasure to behold.



### KPI Know-How

Individuals with a strong work ethic show up to work on time. They don't return late from lunch. Track these KPIs (Key Performance Indicators). One slip may not be so bad, but a pattern of flubs indicates an unacceptable work ethic.

Lack of attention to detail is critical. Watch the KPIs showing the "Number of Customer Complaints." If it's high, it's time to address a substandard employee or two.

## Bad Attitude?

Suppose you have a Service Advisor with a bad attitude and a poor work ethic. They don't care about their work.

**It's obvious when they answer the phone.** Their tone of voice makes customers feel like just another caller, rather than appreciated for giving your shop their business.

**Don't let it go. Address it.**

Talk with them. Talk about professionalism and attitude. Listen to what they have to say. Face them without fear that they might quit on you. Know what you're saying is right. Command the conversation with confidence, care and respect. You should expect an immediate improvement in attitude.



Sir, I'm a customer. I don't work here, and I wasn't going to say anything, but you asked me what I think. To me, it looks like half of your team works their tails off. And the other half slacks off like they couldn't give a hoot about me or my truck. I was just looking for some good old-fashioned service in exchange for my hard-earned money. Tell me, should I take my business to a place that understands what "hoot" means?"

### Coffee Talk

J.J., Customer

Training to Command in this instance means you confront your Service Advisor even if it's unpleasant. This approach is for both your benefit and theirs. Often, after an owner approaches a team member to address attitude or work ethic, the rest of the team says, "We wondered how long you were going to put up with it."

Don't push the employee out the door. Ask them to change. But if they don't come back to work, the rest of the team with a strong work ethic will pick up the slack. If someone leaves when you enforce discipline, hire immediately and rebuild your team as necessary.





### Training to Command

More than any other style, **Training to Command** is designed to give power and control to the trainee. This training attitude involves control, authority, conviction, clarity, mastery, speed, and certainty. Clear commands are far more productive than wishy-washy or vague instructions. So, whether you're training someone on equipment best practices, sales, or the handling of bookkeeping software, if you want them to become a master, the **Training to Command** techniques will produce higher levels of expertise faster.

### Master Training Technique

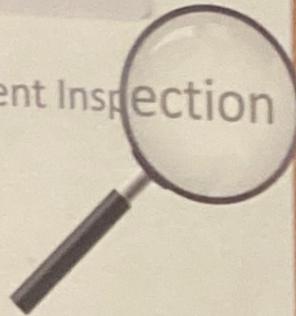


## Advice To a Technician

1. Give your all to every vehicle you touch.
2. Ask questions if you have a problem.
3. Perform at peak capacity throughout the day. Don't get lazy or sloppy.
4. Never stop learning. Keep advancing your technical capabilities.
5. Teach others as you go.
6. Never borrow someone else's tools without their permission.
7. Spread these words: Other technicians are our teammates, not competition.
8. Stay in excellent communication with the Service Advisors and managers.
9. Treat each vehicle like it is your grandmother's. Never let a vehicle leave in hazardous condition.
10. Your technical quality is your honor.

Top Quality  
Acceptable  
Unacceptable

## Management Inspection Attitude



- 1. Everyone arrives to work on time.
- 2. While at work, the focus is work.
- 3. The crew acts like a true team.
- 4. Everyone knows their job and does it.
- 5. Everyone helps others when needed.
- 6. The entire team gets routine training.
- 7. Zero bickering, complaining or hostility.
- 8. The entire crew wants to master new skills.
- 9. Every vehicle is handled with care.
- 10. Every customer is serviced with respect.



# WRITE IT RIGHT

A GUIDE FOR AUTOMOTIVE REPAIR DEALERS

# **WRITE IT RIGHT**

## **A Guide for Automotive Repair Dealers**

This guide is intended to assist automotive repair dealers comply with the Automotive Repair Act and related laws and regulations. It provides valuable information on documentation requirements and other legal obligations relating to automotive repair transactions, such as:

- Keeping the customer informed.
- Providing estimates and invoices to the customer.
- Performing only the repairs authorized by the customer.
- Maintaining a record of all repairs performed and parts supplied.

Remember, automotive repair dealers have a responsibility and an obligation to comply with the Automotive Repair Act and related laws and regulations. This guide is for quick-reference purposes only and is not all-inclusive. Statutory and regulatory references are included to help automotive repair dealers identify, understand, and comply with the requirements. To review the Automotive Repair Act and related laws and regulations, visit the Bureau of Automotive Repair (BAR) website at **[www.bar.ca.gov](http://www.bar.ca.gov)**.

If you have any questions, please contact your local BAR field office.

Want to make sure you and your employees understand automotive repair laws and regulations? Contact your local field office to schedule a Write It Right presentation by a BAR representative.

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Additional paper copies may be obtained by calling toll-free at (800) 952-5210. An electronic version is also available at [www.bar.ca.gov](http://www.bar.ca.gov).

# **DEFINITIONS**

- *Automotive repair dealer* - a person who, for compensation, engages in the business of repairing or diagnosing malfunctions of motor vehicles. *B&P*<sup>1</sup> § 9880.1(a)
- *Repair of motor vehicles* - all maintenance of and repairs to motor vehicles performed by an automotive repair dealer, but excluding repairs made pursuant to a commercial business agreement and roadside services. *B&P* § 9880.1(k)
- *Preventative maintenance services* - includes oil and other fluid changes, rotating tires, and other services as defined in *B&P* § 9880.1(j).
- *Customer* - the person presenting a motor vehicle for repair and authorizing the repairs to that motor vehicle. *B&P* § 9880.1(f)
- *Crash part* - a replacement for any of the non-mechanical sheet metal or plastic parts which generally constitute the exterior of a motor vehicle, including inner and outer panels. *CCR*<sup>2</sup> § 3303(o)
- *Original Equipment Manufacturer (OEM) crash part* - a crash part made for or by the original vehicle manufacturer that manufactured, fabricated, or supplied a vehicle or a component part.  
*CCR* § 3303(p)
- *Non-Original Equipment Manufacturer (non-OEM) crash part* - an aftermarket crash part not made for or by the manufacturer of the motor vehicle. *CCR* § 3303(q)
- *Estimate* - a paper or electronic document provided to the customer that contains an estimated price for parts and labor for a specific job. *B&P* § 9884.9, *CCR* § 3352(a)

<sup>1</sup> B&P refers to the California Business and Professions Code.

<sup>2</sup> CCR refers to Title 16 of the California Code of Regulations.

- *Teardown* - the act of disassembling a vehicle or vehicle component for the purpose of preparing an estimate. *CCR § 3352(d)*
- *Authorization* - the customer's consent for a specific job, expressed as either:
  1. A written signature on the estimate authorizing a specific job. *CCR § 3352(e)(1)*
  2. A statement communicated either orally or electronically to the automotive repair dealer and documented on the estimate authorizing a specific job. *CCR § 3352(e)(2)*
- *Electronic* - relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities. *CCR § 3352(f)*
- *Oral* - voice communication, whether in person, by telephone, or by any electronic manner where voice can be heard. *CCR § 3352(g)*
- *Work order* - a paper or electronic document that contains the authorized estimate for a specific job, the repairs requested by the customer, and the vehicle's odometer reading. *B&P § 9884.7(a)(2), CCR § 3352(b)*
- *Invoice* - a paper or electronic document provided to the customer upon completion of all repairs that contains the final price for parts and labor for a specific job. *B&P § 9884.8, CCR § 3352(c)*

# **ESTIMATE**

## **1. When is an estimate<sup>3</sup> required?**

An estimate is required for an automotive repair dealer to perform repairs to a motor vehicle. *B&P § 9884.9*

## **2. When is an estimate not required?**

An estimate is not required for an automotive repair dealer to perform any of the preventative maintenance services defined in *B&P § 9880.1(j)* if the customer authorizes the service and either of the following occur:

1. The service is performed free of charge. *B&P § 9884.9(e)(1)*
2. The total price for parts and labor necessary to perform the service is displayed in a conspicuous manner or is made available to and acknowledged by the customer.

*B&P § 9884.9(e)(2)*

### **NOTE**

If a job involves both repairs and preventative maintenance services, an estimate is required to perform the repairs. Although not required, it is best practice to list the preventative maintenance services on the estimate.

*B&P § 9884.9, CCR § 3353*

## **3. What is required in an estimate?**

An estimate must contain a description of the specific job and the estimated price for all parts and labor. Each part listed in the estimate shall be new unless specifically identified as a used, rebuilt, or reconditioned part. *B&P § 9884.9, CCR § 3353*

## **4. Is sales tax included in the estimate?**

No, sales tax is only included in the invoice.

*B&P § 9884.8, CCR § 3356(c)(5)*

## **5. Are toxic waste disposal costs included in the estimate?**

Yes, any charges associated with the handling, management, and disposal costs of toxic wastes or hazardous substances directly related to the specific job must be itemized separately in both the estimate and the invoice. If a disposal fee is charged, the estimate and invoice also must both include the automotive repair dealer's Environmental Protection Agency identification number.

*B&P §§ 9884.8, 9884.9(a), CCR § 3357*

<sup>3</sup> Refer to Appendix A for a sample estimate. Unless specified otherwise, all references to the estimate in this document are intended for a 'standard' estimate.

## **6. Is the labor rate included in the estimate?**

No, the labor rate is not included in either the estimate or the invoice. However, brake and/or lamp stations must post conspicuously a list of prices for their services as either a fixed fee or an hourly rate on a time-and-material basis. Additionally, Smog Check stations must post conspicuously a list of prices for their services and an hourly labor rate for repairs. *CCR §§ 3307(d), 3340.15(d)*

## **7. Can the customer be charged for shop supplies?**

No. Charging for items generally noted as shop supplies or miscellaneous parts is prohibited. The customer may only be charged for the supplies used on their vehicle. The cost of these supplies must be included as part of the estimate and all supplies must be itemized in the invoice. *B&P § 9884.9, CCR § 3356(g)*

## **8. Are replaced parts required to be returned to the customer?**

Yes, if requested by the customer at the time the estimate is authorized. However, parts that are sold on an exchange basis and parts that must go back to the supplier under a warranty or core arrangement (e.g., battery) are not required to be returned to the customer. In these circumstances, the customer must be offered the opportunity to see the replaced parts. Any replaced parts that cannot be returned to the customer must be recorded on the invoice.

*B&P § 9884.10, CCR §§ 3355, 3356(i)*

## **9. Can repairs be sublet? Who is responsible for the sublet repairs?**

Yes, sublet repairs can be performed with the consent of the customer. The automotive repair dealer must include with the estimate a statement of any sublet repair to be performed on the vehicle. The automotive repair dealer is responsible for all sublet repairs in the same manner as if it had performed the repairs. At the request of the customer, the name and location of the facility performing the sublet repairs must be disclosed. *B&P §§ 9884.7(a)(9), 9884.9(b), CCR § 3353(d)*

## **10. Can Smog Check inspections and/or repairs be sublet?**

Smog Check inspections cannot be sublet. However, Smog Check stations performing repairs may sublet the following:

- **Exhaust Systems**: Repairs of a vehicle's exhaust system that are normally performed by muffler shops, provided the malfunction has been previously diagnosed by the Smog Check station originally authorized by the customer to perform repairs to the vehicle. *CCR § 3340.15(h)(1)*
- **Defective Components**: Repairs of those individual components that have been previously diagnosed as being defective and that have been removed by the Smog Check station originally authorized by the customer to perform repairs to the vehicle. *CCR § 3340.15(h)(2)*
- **Diesel-Powered Vehicles**: Repairs of diesel-powered vehicles, provided the Smog Check station has obtained authorization from the customer to sublet repairs to the vehicle. *CCR § 3340.15(h)(3)*
- **Transmissions**: Repairs to a vehicle's transmission, provided the Smog Check station has obtained authorization from the customer to sublet repairs to the vehicle. *CCR § 3340.15(h)(4)*
- **On-Board Computer System Software**: Corrections to the vehicle's on-board computer system software, provided that the malfunction has been previously diagnosed by the Smog Check station originally authorized by the customer to perform repairs to the vehicle. *CCR § 3340.15(h)(5)*

## **Specialized Estimates**

### **1. When is a teardown estimate required?**

A teardown estimate is required before disassembling a vehicle or vehicle component for diagnosis.

*B&P § 9884.9, CCR § 3353(c)*

### **2. What is required in a teardown estimate?**

A teardown estimate must contain the same information that is required in a standard estimate, plus the following:

*B&P § 9884.9, CCR § 3353*

- The cost of reassembling the vehicle or component.  
*CCR § 3353(c)(1)(A)*
- The cost of all parts and labor necessary to replace items that are normally destroyed by teardown of the vehicle or component, such as gaskets, seals, and O rings. *CCR § 3353(c)(1)(B)*
- Notification that the act of teardown might prevent the restoration of the vehicle or component to the condition in which it was provided by the customer, if applicable. *CCR § 3353(c)(1)(C)*
- The maximum time it will take to reassemble the vehicle or component in the event the customer does not want to proceed with the repairs. *CCR § 3353(c)(1)(D)*

#### **NOTE**

The maximum time is counted from the date of authorization of the teardown.

*CCR § 3353(c)(1)(D)*

### **3. Is a second estimate required after the teardown?**

Yes. After the teardown is completed, the automotive repair dealer must provide the customer an itemized estimate for parts and labor necessary for the specific job and obtain the customer's authorization for either repair or reassembly before any further repairs are performed or any additional charges accrue. *B&P § 9884.9, CCR § 3353(c)(2)*

#### **NOTE**

If the customer declines repair or reassembly after a teardown, document that fact in the teardown invoice. *CCR §§ 3353(c)(3), 3356(h)*

#### **4. What is required in a Smog Check estimate?**

A Smog Check estimate must contain the same information that is required in a standard estimate, plus the following: *B&P* § 9884.9, *CCR* § 3353

- A test-and-repair station must include a notice stating that the customer may choose another Smog Check station to perform needed repairs, installations, adjustments, or subsequent tests. *H&S*<sup>4</sup> § 44033(c)
- A test-and-repair station must disclose both orally and in the estimate if the vehicle may not be repaired in any of the following circumstances:
  - » The station does not have adequate equipment, personnel, tools, or reference materials to repair the vehicle, should the vehicle fail its inspection. *CCR* § 3340.16.5(b)(1)
  - » The station, as a matter of policy, does not repair certain types, makes, or models of vehicles. *CCR* § 3340.16.5(b)(2)
  - » The station, as a matter of policy, does not repair certain types of vehicle inspection failures (e.g., tailpipe, fuel evaporative system, readiness monitors, etc.). *CCR* § 3340.16.5(b)(3)

#### **5. What is required in an auto body or collision repair estimate<sup>5</sup>?**

An auto body or collision repair estimate must be itemized and contain the same information that is required in a standard estimate. In addition, each new replacement crash part listed in an auto body or collision repair estimate must be an OEM crash part unless specifically identified as a non-OEM aftermarket crash part. Descriptors like Opt-OEM, Alt-OEM, OEM-Surplus, Like Kind Quality, Quality Replacement Part, and similar designations do not satisfy this requirement. *B&P* § 9884.9, *CCR* § 3353

#### **NOTE**

An estimate provided by an insurance company may be attached to and referenced in the automotive repair dealer's estimate if it meets all applicable estimate requirements specified in *B&P* § 9884.9 and *CCR* § 3353.

<sup>4</sup> H&S refers to the Health and Safety Code.

<sup>5</sup> Refer to Appendix B for a sample auto body or collision repair estimate.

## **6. What is required in an automatic transmission estimate?**

An automatic transmission estimate must contain the same information that is required in a standard estimate. It also must include notification that a diagnostic check of an electronic control module cannot be completed due to the condition of the automatic transmission, if applicable. *B&P § 9884.9, CCR §§ 3353, 3361.1(a)*

### **NOTE**

Using terms like exchanged, rebuilt, remanufactured, reconditioned, overhauled, or any expression of like meaning, to describe an automatic transmission in an estimate or invoice (or in any form of advertising), is permitted if all work specified in CCR § 3361.1(c) has been completed since the transmission was last used.

## **7. What is required in a windshield installation estimate?**

A windshield installation estimate must contain the same information that is required in a standard estimate. It also must include whether the windshield is an OEM or non-OEM part and must notify the customer that installation of the windshield will prevent operation of the vehicle for a period of time. *B&P § 9884.9, CCR §§ 3353, 3365.1(c)(3)*

## **8. What is required in an automotive air conditioning estimate?**

An automotive air conditioning estimate must contain the same information that is required in a standard estimate. *B&P § 9884.9, CCR § 3353*

### **NOTE**

When using terms like service, inspection, diagnosis, top off, performance check, or any expression of like meaning, to describe automotive air conditioning work in an estimate or invoice (or in any form of advertising), an automotive repair dealer must perform all procedures specified in CCR § 3366 as the accepted trade standards for air conditioning work.

# **AUTHORIZATION**

## **1. How is authorization obtained?**

All repairs must be authorized by the customer in written, oral, or electronic form. The authorization must be obtained and recorded on the estimate before beginning any repairs. The customer must be provided a copy of any document requiring his or her signature at the time of signing. *B&P § 9884.7(a)(3), CCR § 3353.1(a)*

- Written authorization consists of the customer's signature and date of signature. *CCR § 3353.1(b)*
- Oral authorization consists of the date, time, name of the person authorizing the repairs, and telephone number called, if any. *CCR § 3353.1(c)*
- Electronic authorization consists of the date, time, name of the person authorizing the repairs, and email address or phone number (text messaging) contacted, if any. *CCR § 3353.1(d)*

### **NOTE**

Documents supplementing the estimate to obtain a customer's authorization, including but not limited to a series of electronic communications, such as emails or texts, between the automotive repair dealer and the customer, shall be uniquely identified and maintained as part of the same transaction. *CCR § 3353.1(e)*

## **2. What is required in a work order<sup>6</sup>?**

A work order must contain the authorized estimate for a specific job, the repairs requested by the customer, and the vehicle's odometer reading. *B&P § 9884.7(a)(2), CCR § 3352(b)*

### **NOTE**

An automotive repair dealer engaged in mobile automotive repair must provide the customer a copy of the automotive repair dealer sign specified in CCR §§ 3351.3 and 3351.4 when providing a copy of the work order. *CCR §§ 3351.3, 3351.7.3(e)*

## **3. Can the method of repair or parts listed in the work order be changed?**

Yes, if the customer authorizes the change in the method of repair or parts supplied. *CCR § 3354(b)*

# **Unusual Circumstances**

## **1. What are unusual circumstances?**

Unusual circumstances are instances when the customer cannot deliver the vehicle to the automotive repair dealer for repairs during normal business hours or is not present when the vehicle is delivered. For example, the customer may have dropped off the vehicle at the facility before or after business hours and/or the vehicle may have been towed to the facility unaccompanied by the customer.

*B&P § 9884.9, CCR § 3353.2*

### **NOTE**

Pursuant to Vehicle Code section 22651.07, an automotive repair dealer that also operates as a towing and/or storage service provider, must provide the customer an itemized invoice for those services separate from the invoice required for any necessary repairs. In addition, the customer's authorization for towing services must be documented on a form separate from the estimate for any necessary repairs. Towing and/or storage service providers should refer to Division 11, Chapter 10, Article 1 of the Vehicle Code and Division 3, Part 4, Title 14, Chapter 6.5 of the Civil Code for applicable requirements related to reasonable fees.

## **2. How are repairs authorized under unusual circumstances?**

Before beginning any repairs, complete the following steps to obtain the customer's authorization:

1. Prepare an estimate. *CCR § 3353.2(a)*
2. Contact the customer by telephone, email, text, or other electronic means to provide all the information listed in the estimate and obtain the customer's authorization.  
*CCR § 3353.2(b)*
3. Properly document the customer's authorization on both the estimate and invoice. *CCR § 3353.2(c)*

### **NOTE**

Authorization is required before beginning any repairs, even when a vehicle is dropped off before or after normal business hours along with a note requesting repairs to be performed. The note does not constitute authorization.

## **Additional Authorization**

### **1. How are additional repairs authorized?**

Before beginning any additional repairs beyond the original estimate, or having any additional charges accrue, complete the following steps: *B&P § 9884.9, CCR §§ 3353.1, 3354(a)*

1. Prepare a revised work order that describes all additional parts and labor, provides the cost of all additional parts and labor, and includes the total revised cost.
2. Contact the customer by phone, email, text<sup>7</sup>, or other electronic means to provide all the information listed in the revised work order and obtain the customer's authorization.
3. Properly document the customer's authorization on both the work order and invoice.

### **2. Can the customer designate another person to authorize additional repairs?**

Yes, the customer may designate another person to authorize any additional diagnosis, repairs, and/or parts at the time the initial authorization is provided. However, that person cannot be the automotive repair dealer, including an employee, agent, or person acting on their behalf, or an insurer involved in a claim involving repairs to the vehicle. *B&P § 9884.9(d), CCR § 3354(c)(2)*

### **3. How is the customer's designation documented?**

Document the following information on either the work order or on a separate form:

- The following title:

DESIGNATION OF PERSON TO AUTHORIZE ADDITIONAL  
DIAGNOSIS, REPAIR, OR PARTS. CCR § 3354(c)(1)(A)

- The following statement:

I hereby designate the individual named below to authorize any additional work not specified or parts not included in the original estimate for parts and labor. CCR § 3354(c)(1)(B)

- The name of the designated person. CCR § 3354(c)(1)(C)
- The designated person's contact information, such as telephone number and/or email address. CCR § 3354(c)(1)(D)
- The customer's signature. CCR § 3354(c)(1)(E)
- The date of signing. CCR § 3354(c)(1)(F)
- The work order number. CCR § 3354(c)(1)(G)

# **INVOICE**

## **1. When is the invoice<sup>8</sup> provided to the customer?**

The invoice is provided to the customer upon completion of all repairs for a specific job, including any preventative maintenance services defined in B&P § 9880.1(j). *B&P § 9884.8, CCR § 3356*

## **2. What is required in an invoice?**

An invoice must contain the following:

- Automotive Repair Dealer Information:

- » The automotive repair dealer registration number and the corresponding business name and address as shown in BAR's records. *CCR § 3356(b)*

- Parts and Labor:

- » An itemized list of all services and repairs performed and the prices for each. Include any diagnosis, warranty repairs, or repairs performed at no charge. *B&P § 9884.8, CCR § 3356(c)(1)*

- » An itemized list of each part supplied. List each part in common terms so that the customer can understand what they purchased and the price of the part. State if each part is new, used, reconditioned, rebuilt, and whether any crash parts are OEM or non-OEM aftermarket. *B&P § 9884.8, CCR § 3356(c)(2)*

### **NOTE**

A part kit may be listed as a single part if the brand name and corresponding part number is also provided. *CCR § 3356(c)(2)*

- » Replaced parts that cannot be returned to the customer, if applicable. *CCR §§ 3355(c)(1)(B), 3356(i)*

<sup>8</sup> Refer to Appendix E for a sample invoice. Unless specified otherwise, all references to the invoice in this document are intended for a 'standard' invoice.

- Prices/Costs:
  - » The toxic waste fee charged, if any, as stated on the original estimate and the automotive repair dealer's Environmental Protection Agency number. *CCR § 3357*
  - » The subtotal price for all service and repair work performed. *B&P § 9884.8, CCR § 3356(c)(3)*
  - » The subtotal price for all parts supplied, not including sales tax. *B&P § 9884.8, CCR § 3356(c)(4)*
  - » The sales tax, if applicable. *B&P § 9884.8, CCR § 3356(c)(5)*
  - » The total cost for all service and repair work, parts supplied, and applicable sales tax. *B&P § 9884.8, CCR § 3356(c)(6)*

### **NOTE**

Separate billing in an invoice for items generically noted as shop supplies, miscellaneous parts, fees for electronic communication with the Smog Check database, and the like, is prohibited. *CCR § 3356(g)*

- Authorization:
  - » The customer's declination of repair or reassembly after teardown, if applicable. *CCR §§ 3353(c)(3), 3356(h)*
  - » If customer authorization was provided under unusual circumstances, include the date and time of the authorization of the estimate, the name of the person who gave the authorization, and the telephone number or email address contacted to obtain the authorization. *B&P § 9884.8, CCR § 3356(d)*
  - » If additional authorization was provided either orally or electronically, include the date and time of the additional authorization, the name of the person who authorized the additional repairs, the telephone number or email address contacted to obtain the additional authorization, a description of all additional parts and labor, the cost for additional parts and labor, and the total price for all repairs. *B&P § 9884.8, CCR § 3356(e)*

## **NOTE**

Instead of detailing additional oral authorization on the invoice, the automotive repair dealer may obtain the customer's signature or initials on an Acknowledgement of Notice and Consent, which must include the language provided below. When using the Acknowledgement of Notice and Consent, any revisions to the original estimate must be documented on the work order. *B&P § 9884.9(a)(2), CCR § 3356(e)(2)*

I acknowledge notice and oral approval of  
an increase in the original estimated price.

---

Customer Signature or Initials

### **3. Is an invoice required for a no charge or warranty repair?**

Yes, all parts supplied and all repairs performed by an automotive repair dealer, including all preventative maintenance services performed at no charge, warranty repairs, and repairs paid for by the customer's insurance company, must be recorded in an invoice provided to the customer. *B&P § 9884.8, CCR § 3356*

### **4. Can common industry-recognized acronyms be used when describing parts and labor in the estimate and invoice?**

No, an estimate and invoice should itemize and describe all parts and labor for a specific job in a manner that the customer can easily understand what was purchased. The customer is not likely to understand that R & R means Remove and Replace, or that a TPS is a Throttle Position Sensor. *B&P §§ 9884.8, 9884.9, CCR §§ 3353, 3356*

### **5. If a mobile automotive repair business holds multiple automotive repair dealer registrations, must all registration numbers be included in the invoice?**

No, only the automotive repair dealer registration number tied to the vehicle engaged in the specific job is required to be listed in the invoice.

### **6. Can a lien sale be conducted if the customer fails to pay the invoice?**

Yes, an automotive repair dealer may conduct a lien sale on a vehicle when the customer fails to pay the authorized cost for parts and labor. All invoice requirements must have been met to satisfy the lien sale, as required by Civil Code section 3068(a). *B&P § 9884.16*

## **NOTE**

Refer to Division 3, Part 4, Title 14, Chapter 6.5 of the Civil Code and [www.dmv.ca.gov](http://www.dmv.ca.gov) for applicable requirements related to lien sales.

## **Specialized Invoices**

### **1. What is required in a Smog Check invoice?**

A Smog Check invoice must contain the same information that is required in a standard invoice. A copy of the Vehicle Inspection Report must be attached to the customer's invoice.

*B&P § 9884.8, CCR §§ 3340.41(a), 3356*

### **2. What is required in an automatic transmission invoice?**

An automatic transmission invoice must contain the same information that is required in a standard invoice. *B&P § 9884.8, CCR § 3356*

#### **NOTE**

Using terms like exchanged, rebuilt, remanufactured, reconditioned, overhauled, or any expression of like meaning, to describe an automatic transmission in an estimate or invoice (or in any form of advertising), is permitted if all work specified in CCR § 3361.1(c) has been completed since the transmission was last used.

### **3. What is required in a windshield installation invoice?**

A windshield installation invoice must contain the same information that is required in a standard invoice. It also must include the cure time, the date and time upon which the installation was completed, and whether the windshield is an OEM part or a non-OEM part. *B&P § 9884.8, CCR §§ 3356, 3365.1(c)(4)*

### **4. What is required in an automotive air conditioning invoice?**

An automotive air conditioning invoice must contain the same information that is required in a standard invoice. It also must include the high and low side system operating pressures, as applicable, and the center air distribution outlet temperature. *B&P § 9884.8, CCR §§ 3356, 3366(a)(15), 3366(a)(16)*

#### **NOTE**

When using terms like service, inspection, diagnosis, top off, performance check, or any expression of like meaning, to describe automotive air conditioning work in an estimate or invoice (or in any form of advertising), an automotive repair dealer must perform all procedures specified in CCR § 3366 as the accepted trade standards for air conditioning work.

# **MAINTENANCE OF RECORDS**

## **1. What records must be maintained by an automotive repair dealer?**

The following records must be maintained in either written or electronic form:

- All invoices. *B&P § 9884.11, CCR § 3358(a)*
- All estimates, including all records, such as emails or texts, created to obtain the customer's authorization.  
*B&P § 9884.11, CCR § 3358(b)*
- All work orders, including all records supplementing the work order created to obtain additional authorization from the customer.  
*B&P § 9884.11, CCR § 3358(c)*

### **NOTE**

If storing items electronically, remember to scan all documents that include a customer's signature.

## **2. How long must records be maintained?**

Records must be maintained for at least three years and shall be open for reasonable inspection and/or reproduction by BAR during normal business hours. *B&P § 9884.11, CCR §§ 3340.15(e), 3358(d)*

## **3. Are records required to have a unique identifier?**

Yes, all records associated with a specific job must have a unique identifier linking the records to that specific job. *CCR § 3358(e)*

## **BUSINESS CONDUCT**

Automotive repair dealers are reminded that a registration may be denied, suspended, revoked, or placed on probation for acts or omissions related to business conduct including, but not limited to, the following: *B&P §§ 490, 9884.7*

1. Conviction of any crime substantially related to the qualifications of an automotive repair dealer.
2. Making untrue or misleading statements.
3. Allowing a customer to sign a work order that does not state the repairs requested or the odometer reading.
4. Failing to give a customer a copy of a signed document.
5. Fraud.
6. Gross negligence.
7. Failure to comply with the Automotive Repair Act or related regulations.
8. Willful departure from, or disregard of accepted trade standards for good and workmanlike repair.
9. Making false promises to get a customer to authorize a vehicle repair or service.
10. Having repairs done by someone else without the knowledge or consent of the customer (unless documented that the customer cannot reasonably be notified).
11. Conviction of a violation of Penal Code section 551 (fraudulent acts).

# APPENDICES

## Appendix A – Estimate

**Any Automotive Repair**

BAR Registration No. ARD123456  
EPA Identification No. CAL7654321  
10123 Broadway Blvd.  
Anytown, CA 90001  
Phone: (555) 555-5555  
Fax: (555) 555-5556  
Email: someone@example.com

**ESTIMATE**

ID #: 000001

Date: January 3, 2019

**Customer Information:**

John Doe  
1000 Rubicon Road  
Anytown, CA 90001  
Home/Cell: (555) 555-1234  
Work/Other: (555) 555-5678

**Vehicle Information:**

2000 Jeep Wrangler  
Odometer: 103,292  
License: 4BY4CAL  
Engine: 4.0L

**LABOR OPERATION OR PART DESCRIPTION<sup>1</sup>****QTY**    **PARTS**    **LABOR**    **PRICE**

**Ultimate Oil Change\***  
Includes up to 5 quarts 5W-30 oil and oil filter.

\$59.95

**Diagnosis**

Malfunction indicator light (MIL) is on. No drivability concern noted by customer. Road test, retrieve diagnostic trouble codes (DTCs), diagnose cause, and provide repair recommendation.

SUBTOTAL LABOR	
SUBTOTAL PARTS	
SUBTOTAL	
SALES TAX	
<b>TOTAL</b>	<b>\$139.95</b>

**\*NOTE:** If a job involves both repairs and preventative maintenance services, an estimate is required to perform the repairs. Although not required, it is best practice to list the preventative maintenance services on the estimate.  
*B&P § 9884.9, CCR § 3353*

**AUTHORIZATION**

Original Estimate:	\$139.95		Date:	1/3/2019	<input checked="" type="checkbox"/> In Person
			Time:		<input type="checkbox"/> By Phone
Authorized By:	<i>John Doe</i>		Phone #:		<input type="checkbox"/> By Text
			Email:		<input type="checkbox"/> By Email
Additional Cost:		Revised Estimate:	Date:		<input type="checkbox"/> In Person
			Time:		<input type="checkbox"/> By Phone
Authorized By:			Phone #:		<input type="checkbox"/> By Text
Description:			Email:		<input type="checkbox"/> By Email

Make all checks payable to *Any Automotive Repair*. Payment is expected upon completion of all work. All repairs are covered by our 12-month/12,000-mile warranty unless otherwise stated on this document. See reverse side for information regarding warranty exclusions, limitations, and requirements.

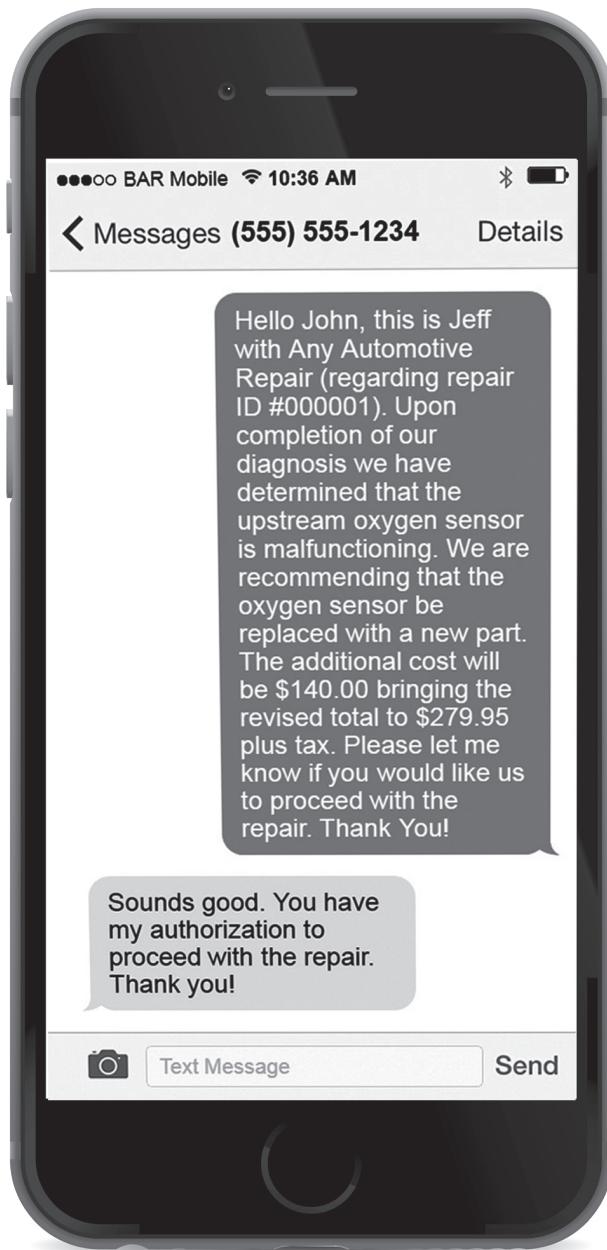
<sup>1</sup> All parts are new unless specified otherwise.

THANK YOU FOR YOUR BUSINESS!





## **Appendix D – Additional Authorization (Text Message)**





# CONTACT INFORMATION

## BAR Field Offices

### Bakersfield

3331 N. Sillect Ave.  
Bakersfield, CA 93308  
(661) 335-7400

### Culver City

6001 Bristol Parkway, Suite 100  
Culver City, CA 90230  
(310) 410-0024

### Fresno

7130 N. Marks Ave.  
Fresno, CA 93711  
(559) 445-5015

### Hercules

625 Alfred Noble Drive, Suite A  
Hercules, CA 94547  
(510) 964-3030

### Irvine

16735 Von Karman Ave., Suite 100  
Irvine, CA 92606  
(949) 988-5252

### Riverside

1450 Iowa Ave., Suite 150  
Riverside, CA 92507  
(951) 782-4250

### Sacramento

10949 N. Mather Blvd.  
Rancho Cordova, CA 95670  
(916) 403-8080

### San Diego

16855 W. Bernardo Drive, Suite 112  
San Diego, CA 92127  
(858) 716-1025

### San Jose

6860 Santa Teresa Blvd.  
San Jose, CA 95119  
(408) 277-1860

### South El Monte

1180 Durfee Ave., Suite 120  
South El Monte, CA 91733  
(626) 575-6934

### South San Francisco

395 Oyster Point Blvd., Suite 102  
South San Francisco, CA 94080  
(650) 827-2074

### Valencia

27202 Turnberry Lane, Suite 250  
Valencia, CA 91355  
(661) 702-6600

## Other Phone Numbers

### Industry Help Desk

(866) 860-8509

### Licensing Unit

(855) 735-0462

### Consumer Assistance Program

(866) 272-9642

### Auto Body Inspection Program

(866) 799-3811

### Parts Locator Service

(800) 622-7733

### Referee Scheduling Center

(800) 622-7733



**Bureau of Automotive Repair  
10949 North Mather Blvd.  
Rancho Cordova, CA 95670**

**[www.bar.ca.gov](http://www.bar.ca.gov)**



PDE 18-298 Revised February 2019

#### AUTOMOTIVE REPAIRS EXCLUDED FROM WARRANTY:

This warranty does not cover repair(s) or replacement(s) except as listed in this section, "What is Covered," even though the Service Center may offer other services.

Specifically excluded are any repairs involving the removal of the engine, transmission or transaxle, or removal of internally lubricated parts and other such repairs as listed below.

#### I. ENGINE:

- A. Any internal repairs or replacement of internal components, or replacement of engine assembly

#### II. TRANSMISSION/TRANSAXLES:

- A. Automatic - Any internal repair or component replacement
- B. Manual - Any internal repair or component replacement
- C. Clutches - Clutch component or assembly repair or replacement

#### III. DRIVE AXLE/DIFFERENTIAL ASSEMBLY:

- A. Any repair or component replacement requiring the removal of internally lubricated components or replacement of the drive axle/differential assembly
  - 1. Ring gear, pinion shaft and related gears
  - 2. Associated bearing with above
  - 3. Pinion seal

#### IV. AUTO BODY, PAINT, MOLDING REPAIR:

- A. Any repair or materials related to auto body repair work
- B. Glass related repairs

#### V. COMMERCIAL USE VEHICLES WITH A LOAD CARRYING CAPACITY OVER 1 1/2 TONS

#### VI. TIRES, BATTERIES

(excluding hybrid drive battery replacements)

#### VII. USED OR SALVAGED PARTS

#### VIII. PREVENTIVE MAINTENANCE SERVICES

(excluding belt and hose replacement)

- A. Oil changes, fluid changes and flushes, wiper blades and filters

#### WHAT IS NOT COVERED BY YOUR NATIONWIDE WARRANTY

You must pay for any non-warranty service you order to be performed at the same time as the warranty service. This warranty will not apply to your repaired vehicle if it has been damaged by abnormal use, misuse, neglect, accident, alteration or "tampering with" (by other than the Service Center or its employees). The Service Center's employees and/or agents do not have authority to modify the terms of this warranty nor to make any promises in addition to those contained in this warranty.

#### PRIOR TO WARRANTY REPAIR, CALL:

**866-588-0728**

Monday - Friday 8:00am - 8:00pm (EST)

Saturday 8:00am - 5:30pm (EST) - Closed Holidays



Your TechNet Professional  
Automotive Service Center

As a part of TechNet Professional, we offer the personalized, quality service only a locally-owned shop can provide, backed by the power of a nationwide network. We're at your service even when you're away from home.

US ENG 24/24 2020

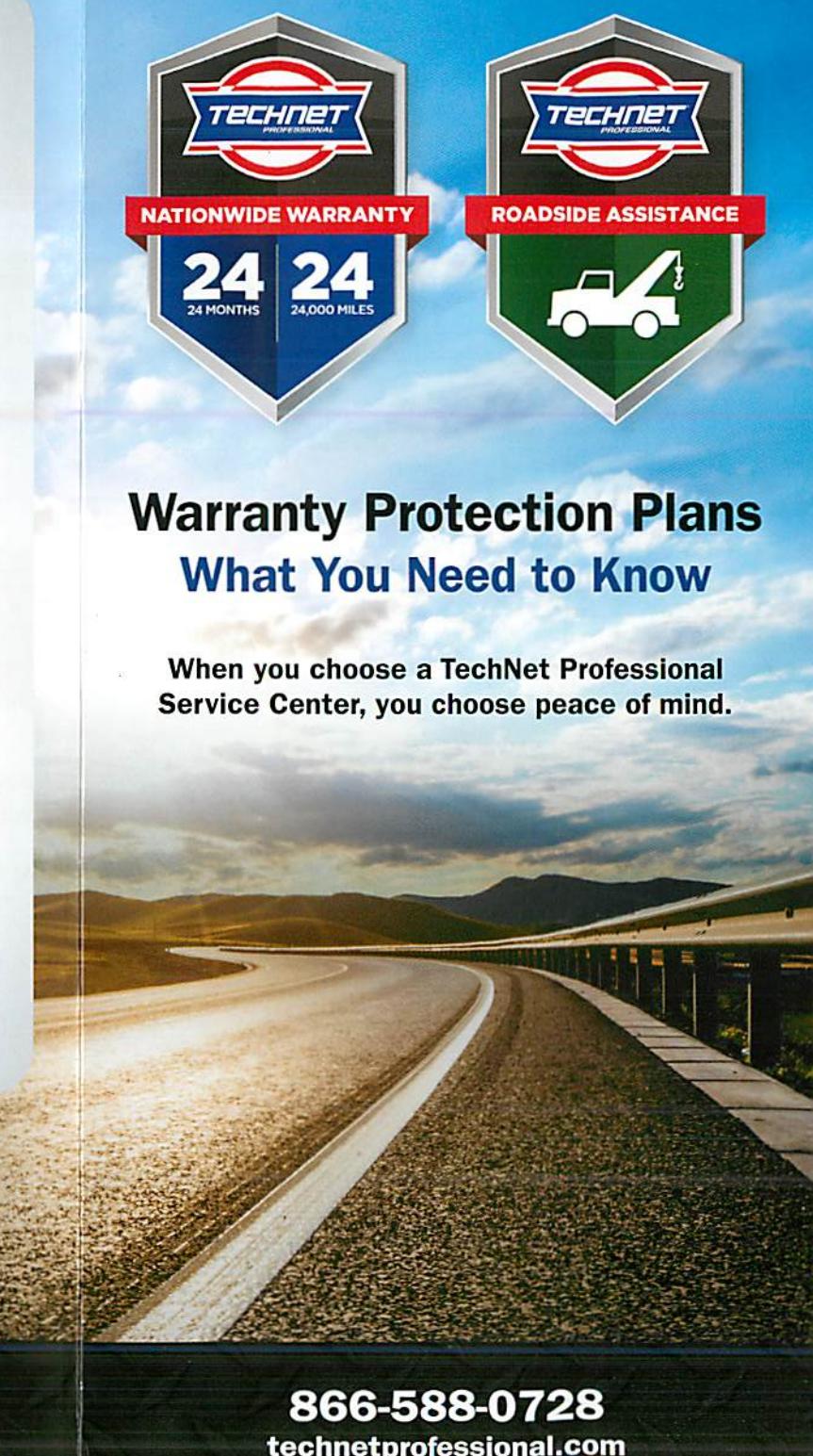
**866-588-0728**

[technetprofessional.com](http://technetprofessional.com)



## Warranty Protection Plans What You Need to Know

When you choose a TechNet Professional Service Center, you choose peace of mind.



**866-588-0728**

[technetprofessional.com](http://technetprofessional.com)

## NATIONWIDE WARRANTY PROTECTION

When you have service and repairs performed by an authorized TechNet Professional Automotive Service Center, you're covered by a nationwide limited repair warranty for 24 months or 24,000 miles, whichever comes first.



### THIS WARRANTY COVERS THE FOLLOWING TYPES OF REPAIRS AND SERVICES:

- A. Air conditioning, heating and climate control systems
- B. Brake system(s)
- C. Electrical system(s)
- D. Emission control system(s)
- E. Engine cooling system(s)
- F. Electronic engine management system, other on-board computer systems (engine, body, brake and suspension computers) and cruise control systems
- G. Engine performance or drivability services and repair
- H. Exhaust system(s)
- I. Fuel system(s)
- J. Ignition system(s)
- K. Other minor repairs
- L. Starting and charging systems
- M. Steering/suspension systems, wheel bearings, CV axles and joints, half-shafts and driveshafts
- N. Hybrid drive battery replacement(s)

**Warranty repair costs shall in no case exceed the costs of the original repair invoice.**

## ROADSIDE ASSISTANCE

Roadside Assistance is available to every customer who purchases \$25 or more in parts and/or services from a TechNet Professional Automotive Service Center.



It covers up to two occurrences within a 365 day period. The program will reimburse up to **\$75 per occurrence** for the following services:

- Towing
- Battery Jump Start
- Emergency Fuel Delivery
- Lock Out Aid
- Flat Tire Assistance

**For assistance, contact the service provider of your choice.**

A copy of your repair invoice and service invoice will be required for reimbursement.

### HOW TO RECEIVE REIMBURSEMENT

Within 60 days of the date of disablement, mail or fax a copy of:

1. The service receipt that includes name and address of service provider.
2. The repair invoice from your Service Center for at least \$25.
3. A claim form (available at [technetprofessional.com](http://technetprofessional.com))

#### MAIL:

TechNet Warranty Administrator  
PO Box 17659  
Golden, CO 80402

#### FAX:

866-924-3668

For complete Terms and Conditions, visit [technetprofessional.com](http://technetprofessional.com) or contact your TechNet Professional Automotive Service Center.



## HOW TO OBTAIN WARRANTY SERVICE

### When You Are Reasonably Able to Return to the Original Service Center:

- Return to your TechNet Professional Service Center.
- Present your copy of the original receipt for repair.

### When You Are Unable to Reasonably Return to the Original Service Center:

- Call the Warranty Administrator at 866-588-0728 prior to any warranty repair work being performed.
- The Administrator will direct you to the nearest participating Service Center location.
- If there are no participating locations in your area, you may take your vehicle to a non-participating Service Center in your area.
  - If the non-participating Service Center will not accept payment from the Warranty Administrator, you must pay for the warranty service and submit your original repair invoice and subsequent warranty repair invoice to the Administrator for reimbursement, based on coverage terms, within 60 days of the date of the repair.

**866-588-0728**

[technetprofessional.com](http://technetprofessional.com)

**THIS WARRANTY DOES NOT IN ANY WAY INCLUDE INCIDENTAL OR CONSEQUENTIAL DAMAGES** (additional expenses which you may incur as the result of faulty repair or service). Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you. This warranty gives you specific rights, and you may also have other rights, which vary state to state.



## **Why You Should Close for a Diagnostic Appointment**

In dealing with customers you want to get their cars into your shop so that you can correctly check it out, and give them an accurate diagnosis and price. If you try to close customers on anything but setting an appointment, you have no commitment to have them bring in their car.

Customers pay to have you solve their problems with their car. Your closing rate on having work done in your shop goes up greatly when the customers bring their cars into your shop for a diagnostic checkup. Attempting to diagnose or quote prices for major repairs over the phone without seeing the vehicle is a waste of your time and a disservice to your customers.

## **Purpose of Diagnostic Checklist**

The five primary purposes of doing a diagnostic checklist are:

1. To gather information so you can accurately assess the type of customer you are dealing with so you can know how to close him for an appointment.
2. To take charge of the conversation and guide it towards the path you want it to take.
3. To help establish a rapport with the customer. This builds trust and confidence by showing you are interested in dealing the customer's concern.
4. To find out what kind of problem the customer perceives he has.
5. To get his agreement to bring the vehicle in and setting an appointment.

# **General Diagnostic Checklist**

## **I NEED TO GET SOME INFORMATION FROM YOU...**

1. Year                  Make                  Model
  
2. Brief description of the problem.
  
3. How long has it been doing this?
  - a. Just started?
  - b. Been doing it for quite a while?
  
4. Did it start acting up after something else happened?
  - a. Can you think of anything that might have happened to the car prior to it acting up?
  - b. Did the problem start after someone else did some other work on the car?
  - c. Did the problem start after you ran over something or hit something?
  
5. Does it act up?
  - a. All the time?
  - b. Just once in while?
  - c. Mainly when it is cold?
  - d. After it is warmed up or when it is hot?
  - e. Can you get it to do it when you want?
  
6. Is there any noise associated with the problem?
  
7. Is there any fluid leaking?
  
8. Has anyone else already checked the problem out?

**SET THE APPOINTMENT:**      Day:      Time:

Customer's Name:      Phone Number:

## **Getting Agreement on the Solution**

Once you have completed the **Diagnostic Checklist**, you will have enough information about the customer's problem to start working on closing him for an appointment.

The next step is to get his agreement to bring his car in so that you can check it out. Tell the potential customer that based on the information you have gathered, you will need him to bring his vehicle in.

You should be in a strong position to give the following recommendation to the customer at this point, because you have asked lots of questions, clarified the problem, showed concern and have been friendly.

**"Mr. Jones, based on the information I have gathered, it could be four or five things causing this problem. At this point, I would recommend you bring the vehicle in. This will allow us to run a quick diagnostic procedure, which will identify the problem. I have a couple of openings for an appointment today. Which would be better for you, this morning or this afternoon?"**

[IMPORTANT NOTE: Do not box yourself into a corner by limiting the number of openings.]

## **Why You Should Close for a Diagnostic Appointment**

In dealing with customers you want to get their cars into your shop so that you can correctly check it out, and give them an accurate diagnosis and price. If you try to close customers on anything but setting an appointment, you have no commitment to have them bring in their car.

Customers pay to have you solve their problems with their car. Your closing rate on having work done in your shop goes up greatly when the customers bring their cars into your shop for a diagnostic checkup. Attempting to diagnose or quote prices for major repairs over the phone without seeing the vehicle is a waste of your time and a disservice to your customers.

## **Purpose of Diagnostic Checklist**

The five primary purposes of doing a diagnostic checklist are:

1. To gather information so you can accurately assess the type of customer you are dealing with so you can know how to close him for an appointment.
2. To take charge of the conversation and guide it towards the path you want it to take.
3. To help establish a rapport with the customer. This builds trust and confidence by showing you are interested in dealing the customer's concern.
4. To find out what kind of problem the customer perceives he has.
5. To get his agreement to bring the vehicle in and setting an appointment.

# **General Diagnostic Checklist**

## **I NEED TO GET SOME INFORMATION FROM YOU...**

1. Year                  Make                  Model
  
2. Brief description of the problem.
  
3. How long has it been doing this?
  - a. Just started?
  - b. Been doing it for quite a while?
  
4. Did it start acting up after something else happened?
  - a. Can you think of anything that might have happened to the car prior to it acting up?
  - b. Did the problem start after someone else did some other work on the car?
  - c. Did the problem start after you ran over something or hit something?
  
5. Does it act up?
  - a. All the time?
  - b. Just once in while?
  - c. Mainly when it is cold?
  - d. After it is warmed up or when it is hot?
  - e. Can you get it to do it when you want?
  
6. Is there any noise associated with the problem?
  
7. Is there any fluid leaking?
  
8. Has anyone else already checked the problem out?

**SET THE APPOINTMENT:**      Day:      Time:

Customer's Name:      Phone Number:

## **Getting Agreement on the Solution**

Once you have completed the **Diagnostic Checklist**, you will have enough information about the customer's problem to start working on closing him for an appointment.

The next step is to get his agreement to bring his car in so that you can check it out. Tell the potential customer that based on the information you have gathered, you will need him to bring his vehicle in.

You should be in a strong position to give the following recommendation to the customer at this point, because you have asked lots of questions, clarified the problem, showed concern and have been friendly.

**"Mr. Jones, based on the information I have gathered, it could be four or five things causing this problem. At this point, I would recommend you bring the vehicle in. This will allow us to run a quick diagnostic procedure, which will identify the problem. I have a couple of openings for an appointment today. Which would be better for you, this morning or this afternoon?"**

[IMPORTANT NOTE: Do not box yourself into a corner by limiting the number of openings.]

**Our Nationwide  
Warranty covers you...**

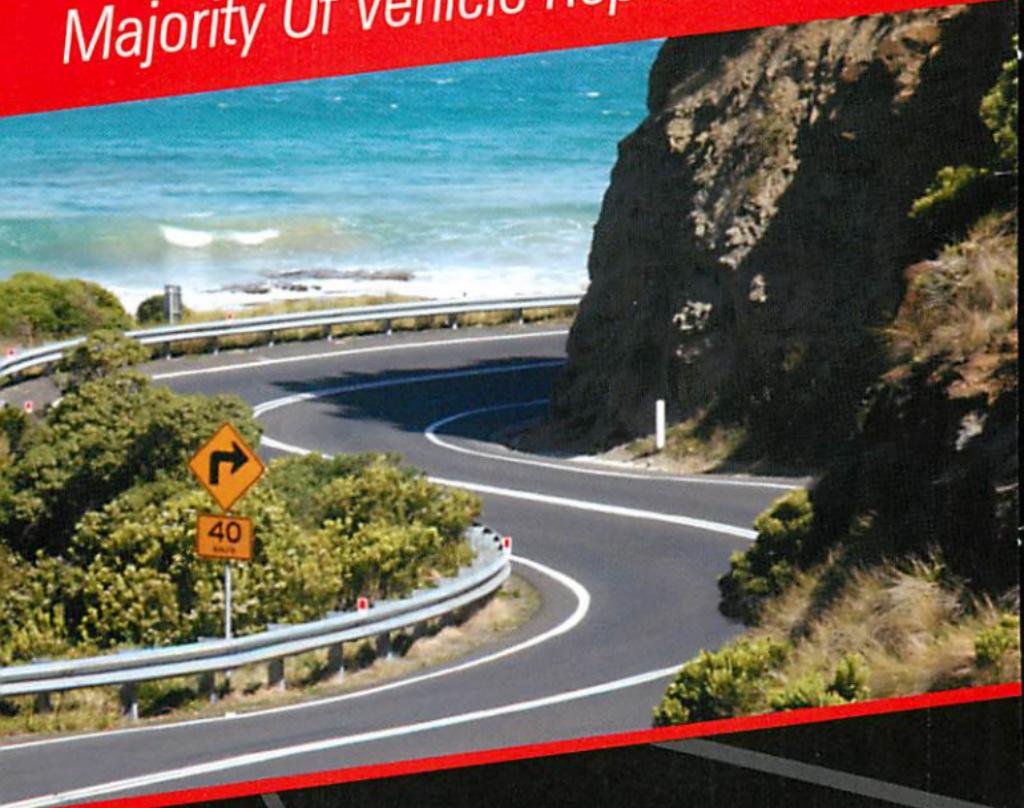
Drive away with confidence. Not questions!

HERE...AND HERE...AND HERE...AND HERE...  
Nationwide Warranty.  
Most repairs apply.

**CERTIFIED  
AUTO REPAIR**

**24 MONTHS / 24,000 MILES  
COAST-TO-COAST  
NATIONWIDE COVERAGE  
24 HOUR ROADSIDE ASSISTANCE**

*Majority Of Vehicle Repairs Qualify!*



**CALL  
1.800.457.0019  
FOR ASSISTANCE**

A buyer of covered products or services has the right to have warranty service performed during the warranty period. The warranty period will be extended for the number of whole days that the vehicle has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect, and the buyer notifies the warranty administrator of the failure of the repair within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return their vehicle for a replacement of parts, if applicable, or a refund, in either case, subject to deduction of a reasonable charge for usage. This time extension does not affect the protections or remedies the buyer has under any law.

#### WHAT IS NOT COVERED BY THIS WARRANTY

You must pay for any non-warranty service you order to be performed at the same time as any warranty service. This warranty will not apply to your repaired vehicle if it has been damaged by abnormal use, misuse, neglect, accident, alteration or "Tampering with" (by other than the facility or facility employee), the facilities employees and/or agents do not have authority to modify the terms of this warranty, nor to make any promises in addition to those contained within this warranty. THIS WARRANTY DOES NOT IN ANY WAY INCLUDE INCIDENTAL OR CONSEQUENTIAL DAMAGES (additional expenses which you may incur as the result of faulty repair or service). Some states do not allow the exclusion or limitation of incidental or consequential damage, so the above limitation or exclusion may not apply to you. This warranty gives you specific legal rights, and you may also have other rights, which vary from state to state.

#### REPAIRS AND SERVICES EXCLUDED FROM THE LIMITED WARRANTY

This warranty does not cover repair(s) or service(s) except as listed in the section, "What is Covered by this Warranty," even though the Facility may offer other services. **SPECIFICALLY EXCLUDED ARE ANY ENGINE, TRANSMISSION, CLUTCH, OR DIFFERENTIAL REPAIRS, ASSOCIATED GASKETS AND SEALS, OR ASSEMBLY REPLACEMENT OF THE SAME. ALSO EXCLUDED ARE AUTO BODY, PAINT, MOLDING, GLASS REPAIRS, TIRES, AND USED PARTS. COMMERCIAL VEHICLES ARE EXCLUDED.**

#### HOW TO OBTAIN WARRANTY SERVICE

You must keep a copy of the original repair invoice and present it when seeking service under this warranty. If warranty work is performed, you must temporarily surrender possession of the original repair invoice, or a legible copy of the same. If you are less than 25 miles away from the original repair Facility, you must return your vehicle to that Facility for any warranty repairs. If you are more than 25 miles from the original Facility, then you must call the Warranty Administrator prior to any warranty repair work being performed, at 800-457-9019, from 8:00 a.m. to 8:00 p.m., Monday through Friday (Eastern Time) Saturday from 9:00 a.m. to 6:00 p.m., excluding holidays. The administrator will provide to you the nearest participating Facility. If there are no participating locations in your area, you may take your vehicle to a non-participating Repair Facility in your area. If the non-participating Repair Facility will not accept payment from the Warranty Administrator, you must pay for the warranty service and submit your original repair invoice (or legible copy) and subsequent warranty repair invoice (or legible copy) to the Administrator for review, within 90 days of the date of repair. If your vehicle is inoperable, and you are further than 25 miles from the original Facility, you may be eligible for certain towing benefits, to a maximum of \$75.00. You may also be eligible for Rental Car benefits if your vehicle cannot be repaired the same day due to circumstances beyond your control. The maximum benefit would be for 2 days at a maximum of \$40.00 per day, as determined by the Warranty Administrator. You may also be eligible for a one night hotel stay at a maximum of \$380.00 total.

### HOW TO CONTACT THE WARRANTY ADMINISTRATOR

Warranty Program Administrator  
P.O. Box 33535  
Denver, CO 80233  
**1.800.457.0019**

## TO OBTAIN WARRANTY SERVICE:

1. Call 1.800.457.0019 for approval or referral to the participating Certified Auto Repair Center
2. Service Center will contact warranty administrator for authorization
3. Once authorized, your warranty repair will be performed by the approved repair facility

## 24 HOUR ROADSIDE ASSISTANCE

The eligible services provided through the Roadside Assistance program:

- Towing and jump starts
- Lock out service
- Flat tire changing assistance
- Fuel, oil, fluid and water delivery
- Call 800-457-0019 to arrange for Roadside Assistance call
- Service secured through another source will not be reimbursed



#### NATIONWIDE LIMITED REPAIR WARRANTY

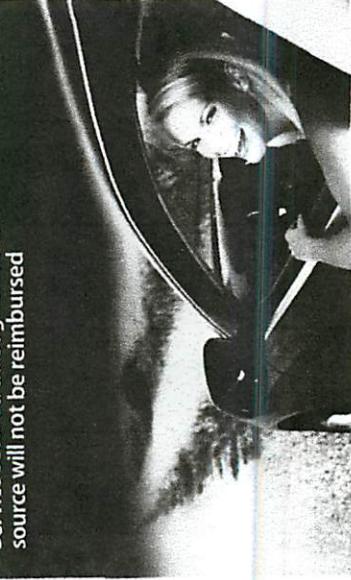
This limited warranty is extended only to you, the original purchaser, and not to anyone who may purchase your vehicle from you during the term of the warranty. This limited warranty is made by the independent Repair Facility ("Facility") who is so named on the original repair invoice and performed the service/repairs on your vehicle. This warranty may be honored by other Facilities participating in this program, or other authorized non-participating facilities anywhere in the United States. This warranty is not a warranty of Automotive Business Solutions, Inc., its affiliates, subsidiaries, their employees or member companies. Automotive Business Solutions, Inc. serves as the administrator only.

#### WHAT IS COVERED BY THE LIMITED WARRANTY

This warranty covers the following types of repairs and services, subject to the exclusions listed within:

- ✓ Air Conditioning, heating and climate control systems
- ✓ Brake system
- ✓ Engine cooling system
- ✓ Electrical system, including the starting and charging systems
- ✓ Engine performance, drivability services and repair
- ✓ Exhaust system
- ✓ Fuel System
- ✓ Ignition system
- ✓ Electronic engine management system and on-board computer systems, (engine, body, brake and suspension computers)
- ✓ Cruise control system
- ✓ Steering suspension system, wheel bearings, CV joints, U-joints, half-shafts and driveshafts
- ✓ Other minor repairs

The independent Repair Facility warrants that the above repairs and services performed at their location will be free from defects in materials and workmanship for 24 months or 24,000 miles of use, whichever comes first, measured from the date of the first repair and the odometer reading shown on the original repair invoice. This warranty is conditioned on the vehicle being subjected only to normal, non-commercial use, and receiving reasonable and necessary maintenance during the warranty period. **Warranty repair costs shall in no case exceed the costs of the original repair or service.** If there is a defect in either materials or workmanship within the warranty period, the independent Repair Facility has the option to perform remedial service work at no charge to you, replace the defective warranted part(s) without charge to you, or refund the entire charge for the warranted repairs, minus any previous refunds.



**Failure to complete**

**- TRANSMISSION -**  
**"Required Installation Procedures"**  
**PLEASE READ BEFORE INSTALLATION**

Prior to the installation and operation of this recycled product, it is necessary to perform several inspections, change over accessories, and routine maintenance to insure uninterrupted service. Many accessory parts and components have been left attached to our assembly for your convenience and care of handling. These may save time, however the installer is responsible for exchanging parts and accessories as needed and replacing normal wear & tear items that are not covered under the warranty. These change over accessories, and wear & tear items are not included in the price or warranty for this product. Thank you for your cooperation and business.

**PRE-INSTALLATION CHECK LIST:**

- Determine why the original transmission failure occurred and make appropriate repairs.
- Insure the product provided is materially the same as the one to be replaced.
- Remove oil pan and replace filter.
- Remove torque converter strap.
- Replace front seal.
- Properly install and index the torque converter completely into the front pump.
- Inspect and replace rear seal as needed.
- Change over sensors as needed.
- Exchange the speedometer senders as needed.
- Flush the transmission cooler lines and radiator with a power flush machine or with an aerosol "Cooler Flush Kit".  
This will insure the cooling system is flowing.
- Replace the radiator or cooler if recommended by the manufacturer.
- Remove all "cap-plugs" from lines and orifices.
- Clear all transmission computer codes in the vehicle prior to starting or operating.
- Fill the transmission with the OEM recommended fluids.
- Verify the differential portion of the transmission is full of fluid.
- 4WD vehicles must re-learn the shift logic to the transmission after installation.

**COMMON CAUSES OF FAILURES:**

1. Failure to replace the front seal of the transmission.
2. Failure to properly seat and index the torque converter into the front pump.
3. Failure to replace the transmission filter.
4. Failure to use manufacturers recommended fluids.
5. Blocked transmission cooler lines, screens, or radiators.
6. Failure to replace the radiator as recommended by the manufacturer.
7. Failure to properly connect all sensors and cables.
8. Improper adjustment of linkages.
9. Failure to clear vehicle computer codes.
10. Failure to remove all "cap-plugs" from hose orifices.
11. Failure to repair the "cause" of the original transmission failure.

**HOW TO PREP EXCHANGE UNIT FOR RETURN:**

- Do not return the exchange transmission prior to completed installation. (This may result in lost bolts, sensors, and/or brackets)
- Completely drain fluid from transmission and pan.
- Reuse "cap-plugs from replacement unit to prevent fluid loss.
- Install strap to hold torque converter in place.
- Mark the unit as a "core" and notify your sales representative for pick-up

**voids warranty**





NATIONWIDE WARRANTY

**24** | **24**  
24 MONTHS | 24,000 MILES

## NATIONWIDE LIMITED REPAIR WARRANTY PROCEDURE GUIDE

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# Introduction

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This Warranty Procedure Manual is designed to help you to easily review the important aspects of the Nationwide Warranty Program. This will allow you to gain the maximum possible benefit from the program and provide optimum customer satisfaction.

- The importance of a nationwide repair guarantee is clear. Customer surveys conducted by major automotive aftermarket groups consistently show consumers will choose a repair facility that issues a written, nationwide guarantee over one that does not.
- The Nationwide Warranty Program will give your customers the security and confidence they are looking for when choosing a repair facility.

We are pleased you have elected to be part of the Program and to provide your customers with the opportunity to have the finest Nationwide Warranty available.

If we can be of service or assistance, please contact a Warranty Administrator at

**1-866-588-0728**

## Who Makes the Warranty?

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The warranty is made by the Independent Repair Facility named on the repair invoice that performed the service/repairs on the vehicle. The warranty may be honored by any facility participating in this program or other authorized facility anywhere in the United States or Canada. Sonsio Administrative Services, LLC serves as the administrator (“Warranty Administrator”) only.

This means the Independent Repair Facility performing the repairs is the issuer of the warranty and, as such, is responsible to uphold the terms and conditions described within the warranty for any services it performs. Sonsio will act as the administrator on behalf of the original facility when the customer experiences a failure and cannot reasonably return to the original facility (see the Warranty Statement for complete details).

## Program Implementation Tips

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### BEST PRACTICES

Make sure the customer is aware of your new warranty program. This is accomplished by making sure every customer has received a printed copy of the warranty statement.

Explain the warranty in your sales approach. Knowing you are willing to stand behind your work with a written warranty may be the deciding factor on a sale. The warranty provides the customer with an additional measure of comfort in knowing they are receiving a quality repair or service.

Ensure all of your employees have adequate knowledge of the warranty and its parameters. Everyone should read the warranty statement thoroughly. Perhaps a short meeting is the most effective method of getting everyone acquainted.

# Nationwide Warranty General Summary

---

## SERVICES COVERED INCLUDE:

- Air conditioning, heating, and climate control systems
- Brake system(s)
- Electrical system(s)
- Electronic engine management system and other on-board computer systems (engine, body, brake, and suspension computers), cruise control systems
- Emission control system(s)
- Engine cooling system(s)
- Engine performance or drivability services and repair
- Exhaust system(s)
- Fuel system(s)
- Ignition system(s)
- Other minor repairs
- Starting and charging systems
- Steering/suspension systems, wheel bearings, CV axles and joints, half-shafts and driveshafts
- Hybrid drive battery replacements, effective July 1, 2016

## SERVICES AND VEHICLES NOT COVERED BY THIS WARRANTY:

- ENGINE
  - Any internal repairs or replacement of internal components, or replacement of engine assembly
- TRANSMISSION, TRANSAXLES
  - Automatic - any internal repair or component replacement
  - Manual - any internal repair or component replacement
  - Clutches - clutch component or assembly repair or replacement
- DRIVE AXLE/DIFFERENTIAL ASSEMBLY
  - Any repair or component replacement requiring the removal of internally lubricated components or replacement of the drive axle/differential assembly.
    - Ring gear, pinion shaft, and related gears
    - Associated bearing with above
    - Pinion seal
- BODY, PAINT, MOLDING REPAIR
  - Any repair or materials related to auto body repair work
  - Glass related repairs
- COMMERCIAL VEHICLES
  - with a load carrying capacity greater than 1.5 tons
- TIRES, BATTERIES
- USED OR SALVAGED PARTS
- PREVENTIVE MAINTENANCE SERVICES (excluding belt and hose replacement)
  - Oil changes, fluid changes and flushes, wiper blades, filters

**See Warranty Terms and Conditions for complete details.**

# Original Repair Invoice Requirements

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**DUE TO THE ENHANCED WARRANTY COVERAGE PERIODS, YOUR INVOICE FOR THE ORIGINAL REPAIR WORK MUST INCLUDE THE INFORMATION LISTED BELOW. IF THIS INFORMATION IS INCOMPLETE, YOUR CUSTOMER'S CLAIM COULD BE DELAYED OR REJECTED.**

1. Your Facility's name, address, and telephone number.
2. The date the repair/service work is performed.
3. The customer's name and address.  
*(If possible, include the customer's telephone number and email address.)*
4. The customer's vehicle year, make, and model.
5. The vehicle's odometer reading at the time the repair/service work is performed.
6. Description of the repairs and/or services performed.
7. Description of parts, labor, and the amounts charged to the customer.

# How to Obtain Authorization for Repairs

---

## WHAT TO DO WHEN AN EXISTING CUSTOMER COMES BACK TO YOUR FACILITY FOR WARRANTY REPAIRS

You, the Original Facility, are responsible to stand behind and uphold the terms of the Nationwide Limited Warranty for any customer who returns to your facility for warranty service work.

1. Obtain a copy of the original invoice from the customer. The customer must have a copy of the original invoice in order to exercise their warranty privileges.
2. Verify that less than the specified warranted time or miles have elapsed since the date and mileage documented on the original invoice. (If either parameter has elapsed, the warranty is expired.)
3. Perform the proper diagnostic procedures and verify whether a defect exists with the original repair or replacement of part(s).
4. Proceed with the necessary re-repair of the customer vehicle and issue a written repair order that lists the specific repair that was performed to resolve the customer warranty claim.
5. File a copy of the repair invoice with the related copy of the original repair invoice in your customer file.
6. If the warranty repair involved the replacement of a defective part, return the defective part back to your parts store.

## WHAT TO DO WHEN A CUSTOMER IS REFERRED TO YOU FROM ANOTHER FACILITY FOR WARRANTY RELATED REPAIRS

1. Obtain a copy of the original invoice from the customer. The customer must have a copy of the original invoice in order to exercise their warranty privileges. If you have any questions once you have a copy of the customer's invoice, you can call the Warranty Administrator at 1-866-588-0728.
  - A. Make sure the vehicle presented for warranty service work is the same vehicle on which the original repairs were performed.
  - B. Make sure the warranty period has not expired (the specified warranted time or miles have not elapsed since the date and mileage documented on the original invoice). If either parameter has elapsed, the warranty is expired.
  - C. If conditions A and B above are not satisfied, explain to the customer that the claim is not eligible for adjustment under the nationwide warranty program and provide the customer with the reasons for this determination.
2. If conditions A and B above are satisfied, diagnose the problem and confirm that the warranty repairs in question have proven to be defective, either in the parts or the labor. You should then assemble an estimate for the cost necessary to correct any such deficiency in the warranted repairs.
3. Prior to beginning any warranty service work, call the Warranty Administrator at 1-866-588-0728 and discuss the situation in sufficient technical detail to allow the Administrator to make an informed decision on the eligibility of the claim. You should also provide the Administrator an estimate for the cost of the repairs necessary to remedy the condition.

# **Submitting Claims for Payment**

---

1. For the fastest payment of approved warranty repairs, please use the enclosed FAX cover sheet found in the appendix of this guide. Fax a copy of the customer's original invoice and a signed copy of your re-repair invoice to the technician handling your claim:

Once the claim is processed, within 48 business hours you will receive a return call from one of our claims administrators ready to issue payment to you via check or credit card. You can process the credit card while on the phone with our representative for immediate payment.

**or**

You may mail the original repair invoice and the new repair invoice to the Warranty Administrator at the following address:

**TechNet Nationwide Warranty Administrator  
P.O. Box 17659  
Golden, CO 80402-6027**

A check will be mailed to you for payment for invoices mailed to the Warranty Administrator. From the date the Warranty Administrator receives the invoices, it will take approximately 10 working days for the claim to be processed and payment issued.

2. Failure to submit any or all of the required documents will result in a delay of payment or non-payment of the claim.
3. ALL CLAIMS MUST BE SUBMITTED FOR REIMBURSEMENT WITHIN 60 DAYS OF THE DATE THE CLAIM NUMBER WAS ISSUED. Failure to submit the required invoices within 60 days will void the claim. No reimbursement will be issued for claims that exceed this time limit.

# Samples

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The following pages are examples of the claims fax cover sheet and the emails to the customer and the original repair facility, which will be sent when email addresses are provided to the Warranty Administrator.

The purpose of the customer emails are to follow up with the customer and provide them the opportunity to contact the Warranty Administrator if they are still experiencing any problems or require any additional assistance.

An email is also sent to the original repair facility, if the email address has been provided, to provide notice that a customer had a claim that was handled through the Nationwide Warranty Program.

**IT IS HIGHLY RECOMMENDED THAT YOU CALL YOUR CUSTOMER TO BE SURE EVERYTHING WAS HANDLED TO THEIR SATISFACTION.**

By taking the time to show your concern, you will take a big step towards retaining your customer in the future.



PO Box 17659  
Golden, CO 80402-6027  
1-866-588-0728

**Warranty Administrator for  
TechNet Nationwide Warranty**

# Fax Cover Sheet

**To:** \_\_\_\_\_ **From:** \_\_\_\_\_

**Fax:** \_\_\_\_\_ **Pages:** \_\_\_\_\_

**Phone:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Re:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Urgent**       **For Review**       **Please Comment**       **Please Pay by Credit Card**

**Please update my account with the following email address to be used for claim notices:**

We need the following documents in order to pay your claim by credit card.

- A copy of the invoice from the original repair facility
- A copy of your invoice showing the corrective repairs

**Comments:**

## Sample Email to the Original Facility

---

From: Program Claims Administrator <warrantyadmin@sonsio.com>  
To: Tuscaloosa Tire & Service Center  
Subject: Claim Status Notification  
Sent: May 15, 2020 9:45 AM

Tuscaloosa Tire & Service Center  
2015 Lurleen Wallace Blvd.  
Denver, CO 80005

Re: Claim # 3440800653

Dear Tuscaloosa Tire & Service Center:

As a special service we provide, we want to inform you that a valued customer of yours experienced a problem requiring further repairs, which were covered by the TechNet Professional Nationwide Warranty.

JENNIFER JONES  
123 MAIN STREET  
DENVER, CO 80123  
402-984-4878

STARTER,SOLENOID  
Original Date: 11/21/2018  
Invoice #: 29681  
Repair Facility: 24 HOUR AUTO REPAIR  
Repair Date: 05/06/2019

In the interest of customer satisfaction, we recommend that you contact JENNIFER JONES at your convenience.

If you have any questions or if we may be of further assistance, please contact us Monday through Friday 8 AM to 5 PM Mountain Standard Time at 1-866-588-0728.

Sincerely,

Warranty Administrator  
TechNet Nationwide Warranty

## Sample Email to the Customer

---

From: Program Claims Administrator <warrantyadmin@sonsio.com>  
To: Jennifer Jones <jenniferjones@emailaddress.com>  
Subject: Claim Status Notification  
Sent: May 15, 2020 9:45 AM

JENNIFER JONES  
123 MAIN STREET  
DENVER, CO 80123

Dear JENNIFER JONES:

We are aware of the recent problems you have incurred with your vehicle. We realize that any vehicular problem poses an inconvenience. We trust that we were able to get your vehicle repaired and back on the road quickly. Our objective is to do everything within our power to ensure that your repair experience is a good one.

Your patronage is very important to us. We want to make certain that your situation was resolved to your satisfaction and that you are happy with the warranty services you received.

If you have any questions or need further assistance, we invite you to visit or call Tuscaloosa Tire & Service Center at 303-555-1212 or contact us at the warranty center at 1-866-588-0728 Monday through Friday 8 AM to 5 PM Mountain Standard Time.

Sincerely,

Corporate Warranty Center

# Frequently Asked Questions

## 1. WHAT BENEFITS DO I RECEIVE?

As a participant of the TechNet Warranty Program, you will receive the following benefits.

- a. The Warranty Center will pay the cost of parts and labor to re-repair the customer's vehicle, up to the cost of the original repair, when he or she experiences a warranty related failure and they are not able to reasonably return to your facility during the warranty period.
- b. As a member of a 35,000 shop nationwide warranty network, you will receive referrals of customers from other service facilities when those customers experience a warranty related failure and are in need of repair while located in the vicinity of your service center.

## 2. WHEN MY CUSTOMER HAS A WARRANTY CLAIM THAT IS HANDLED BY ANOTHER LOCATION, WILL THE WARRANTY CENTER BILL ME FOR THE COST OF THE REPAIR?

No. The cost of the re-repair is covered by the Warranty Center. There will be absolutely no cost to you for such repairs.

## 3. HOW WILL I KNOW IF ONE OF MY CUSTOMERS HAS A WARRANTY CLAIM WHILE AWAY FROM MY FACILITY?

The Warranty Center will send an email to you informing you of the customer's name, address, telephone number, the nature of the repair, and the date of the failure. This will allow you to contact your customer and make sure that he/she is satisfied with the service they received.

## 4. DURING WHAT HOURS CAN MY CUSTOMERS CONTACT THE WARRANTY CENTER?

The Warranty Center is open Monday through Friday from 8:00 a.m. to 8:00 p.m. EST, and Saturday from 8:00 a.m. to 5:30 p.m. EST, excluding the six primary U.S. holidays (New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day).

If a breakdown occurs after hours, the customer may elect to proceed with the re-repair, but must contact the Warranty Center the next business day to submit a claim for reimbursement.

## 5. IF MY CUSTOMER GOES INTO CANADA FROM THE UNITED STATES, ARE THEY STILL COVERED UNDER THE WARRANTY?

Yes. The customer is covered anytime or anywhere within the warranty parameters. Claims outside the country will be handled on a reimbursement basis.

## 6. WHAT ARE THE WARRANTY PARAMETERS?

Please refer to the Warranty Statement for details.

## 7. IF A CUSTOMER GOES ELSEWHERE AND HAS REPAIRS PERFORMED AND THEN RETURNS TO THE ORIGINAL FACILITY SEEKING A REFUND, WHAT SHOULD THE ORIGINAL FACILITY DO?

If the claim meets the Warranty parameters, contact the Warranty Administrator. They will open a file and the claim will be processed in the normal manner. Any reimbursement will be made directly to the customer.

## 8. IF A CUSTOMER HAS A REPAIR REDONE UNDER THE WARRANTY, ARE THEY THEN GIVEN A NEW WARRANTY OR DOES THE WARRANTY GO BACK TO THE DATE OF THE ORIGINAL REPAIR?

A new Warranty will be given on the repair that is performed.

## 9. WHAT IF THE CUSTOMER LOSES HIS REPAIR ORDER?

The customer should contact the original facility to see if a copy of the invoice can be reproduced. The Warranty Center can assist with this process and attempt to have the original facility fax a copy of the repair invoice. In a worst-case scenario, the customer would pay for any necessary repairs and seek reimbursement after the fact by submitting copies of the documentation (once the missing repair order is located) to the Warranty Center.

## 10. THE WARRANTY USED TO EXCLUDE BATTERIES – WHICH BATTERIES ARE COVERED NOW AND WHICH ARE EXCLUDED?

Hybrid drive battery replacements for hybrid vehicles are covered effective July 1, 2016. All other batteries are excluded.

# **Policy W1 – Service Writer – 24/24 In-House Warranty Customer Billing**

1.12.17

To: Service Writer

**PURPOSE:** To correctly bill for our prorated\* warranty.

\**prorate* – to distribute the cost out over time

**POLICY:** For the first 12 months/12,000 miles, our work is warrantied 100%, at no cost to the customer.

After 12 months/12,000 miles, the customer starts to pay some money towards the warranty repair we do in-house.

NOTE: O'Reilly and Technet Nationwide Warranty still covers 100% cost of repair up to 24 months/24,000 miles if the work is done at another shop in the network that is 25 miles or more from our shop. See policy on Nationwide Warranty.

## **PROCEDURE:**

Also see "24.24 Warranty Calculator" document.

Anything within the first 12 months/12,000 miles (whichever comes first/whichever is higher) is covered by us 100% at no charge to the customer.

The prorated portion of the warranty kicks in once 12 months have passed since the repair was done, OR once 12,000 miles were driven since the repair was done. If EITHER of those things have happened, use the prorated warranty.

1. Figure out how long it has been since we did the repair – round to the nearest month.
2. Figure out how many miles the vehicle has been driven since the repair was done – round to the nearest 1,000 miles. Use whichever one is bigger (the time period in months, or the mileage driven to the nearest thousand) to do your calculations.
3. **If 12 months or less have passed since the repair, AND the vehicle has been driven 12,000 miles or less, the warranty repair is covered by us 100%. STOP HERE and do the repair at no charge to the customer.**
4. **If it has been more than 12 months, or if the vehicle has been driven over 12,000 miles since we did the repair:**
  1. Determine how much the customer paid for the original repair. If multiple jobs were on the original repair order, consider only the amount the customer paid for the repair we are warrantying. Exclude tax for this calculation.
  2. Divide that cost of repair by 24 (the length of our warranty). That is the cost per month that the

customer will pay towards the warranty.

For example, say the original repair was \$2400. The work was done 14 months ago, but the customer has put 18,000 miles on the vehicle since the repair. Use the higher figure – the 18,000 miles.

**Divide \$2400 by 24.  $\$2400 / 24 = \$1000$**

**Multiply that figure by the mileage in this case (in thousands).  $\$1000 \times 18 = \$1800$ .**

3. That is the amount the customer will pay towards the warranty repair - \$1800. Add the parts and labor into Winworks (see Policy on how to write up warranty work), and make the set price \$1800.
4. Tax will bring the total over \$1800 – that's ok. Charge the customer tax.
- 5. Compare your results to the Warranty Calculator (separate document).**

**RESULT:** The Service Advisor keeps the customer happy and we honor our warranty. The Service Advisor bills for the prorated warranty and the customer is happy that they didn't have to pay the full amount of the repair.

I have read and understood this policy \_\_\_\_\_ print name

\_\_\_\_\_ signature

\_\_\_\_\_ date

## **Policy W2 – Service Advisor - Handling a Warranty Claim (Full Version)**

**PURPOSE:** The purpose of this procedure is to guide you in systematically handling a Potential Warranty Claim. The goal is to minimize the shop's costs on any given Potential or Real Warranty Claim while maintaining our warranty and our reputation for integrity in the customer's eye. The end result of handling a warranty claims should include the customer being happy. To have high customer satisfaction and shop legal protection throughout the warranty process.

**POLICY:** All *potential warranty claims* should be handled promptly and correctly. An unhandled or improperly handled warranty claim is a liability for the shop. Always handle warranty claims promptly and with care.

### **PROCEDURE:**

1. A potential warranty claim starts when a customer notifies us that they believe that some work we did was somehow not done correctly. They may call us, email us, stop by, or otherwise reach out to us.
2. Acknowledge them promptly and say you are sorry their vehicle is giving them trouble. Tell them that we absolutely want to help them, and ask them how soon they can get the vehicle to us. **DO NOT ADMIT NOR DENY FAULT.**
3. Consult the Warranty Flow Diagram. If there is any concern that there may be a safety issue and the vehicle may need to be towed, ask the customer if they have AAA or free towing on their insurance policy. If they do, have them use that free service to have it towed to us. If they don't have access to free towing service, consult the manager. We do not want anyone driving an unsafe vehicle. We also do not want to pay for a tow unnecessarily.
4. Do not accept guilt or apologize for anything we did, because we may not have done anything wrong. There may be something else wrong with the vehicle. Accepting guilt without all the information is a liability for the shop – don't do it.
5. Don't deny that there was fault with our work, either. Remain neutral and helpful.
6. Do be courteous. If it turns out that there is a problem with the parts we installed or our workmanship, we want to show that we will stand behind our work and get it handled promptly. Being discourteous or unhelpful is a liability to the shop – always be courteous and respectful.
7. Give the potential warranty claim customer a courtesy car if they want one (and if we have one – try to have one available), even if we haven't confirmed there is a true warranty issue. If they are claiming it's a warranty issue then they are already not thrilled with us and wanting to blame us, so we want to ease the situation by giving them transportation. **Do NOT purchase them a rental car OR make promises to or insinuations that we might reimburse them for a rental car without the Owner's expressed written approval.**
8. Get the vehicle into the shop as soon as possible. The longer the situation exists, the more unhappy the customer will become, causing greater liability for the shop.
9. Have a Tech and the Shop Foreman inspect the vehicle and write up the findings. If parts are at fault, the tech may receive some credits for the billed-units to redo the job. These credits will be based on warranty time, (not full book time) unless there is labor reimbursement from the vendor (in which case charge full labor time – see policy on labor warranties). If the fault is workmanship, the tech who originally performed the work should do the work but will receive no credits for redoing it (unless you can collect labor warranty from the supplier).
10. The Shop Foreman inspects the vehicle with the tech, and the Shop Foreman QA's all warranty work before it goes back to the customer.

11. Labor claims should be documented and submitted to the parts store by the Manager if a part is found to be faulty. **The Manager should provide the GM with a copy of documentation for all parts/warranty claims and all warranty jobs for Record Keeping. This documentation should include a copy of the original RO, the RO showing the warranty job, and all information relating to the claim that could reasonably be deemed important.** There should be a notebook/known location for all warranty jobs, including but not limited to the RO number, reason for the warranty (specific part failure, workmanship, etc), the part supplier name, date that labor claim was filed and with whom, etc.

12. Fix the vehicle and build rapport and confidence with the customer.

13. File the labor claim.

14. Verify we got credit for the part.

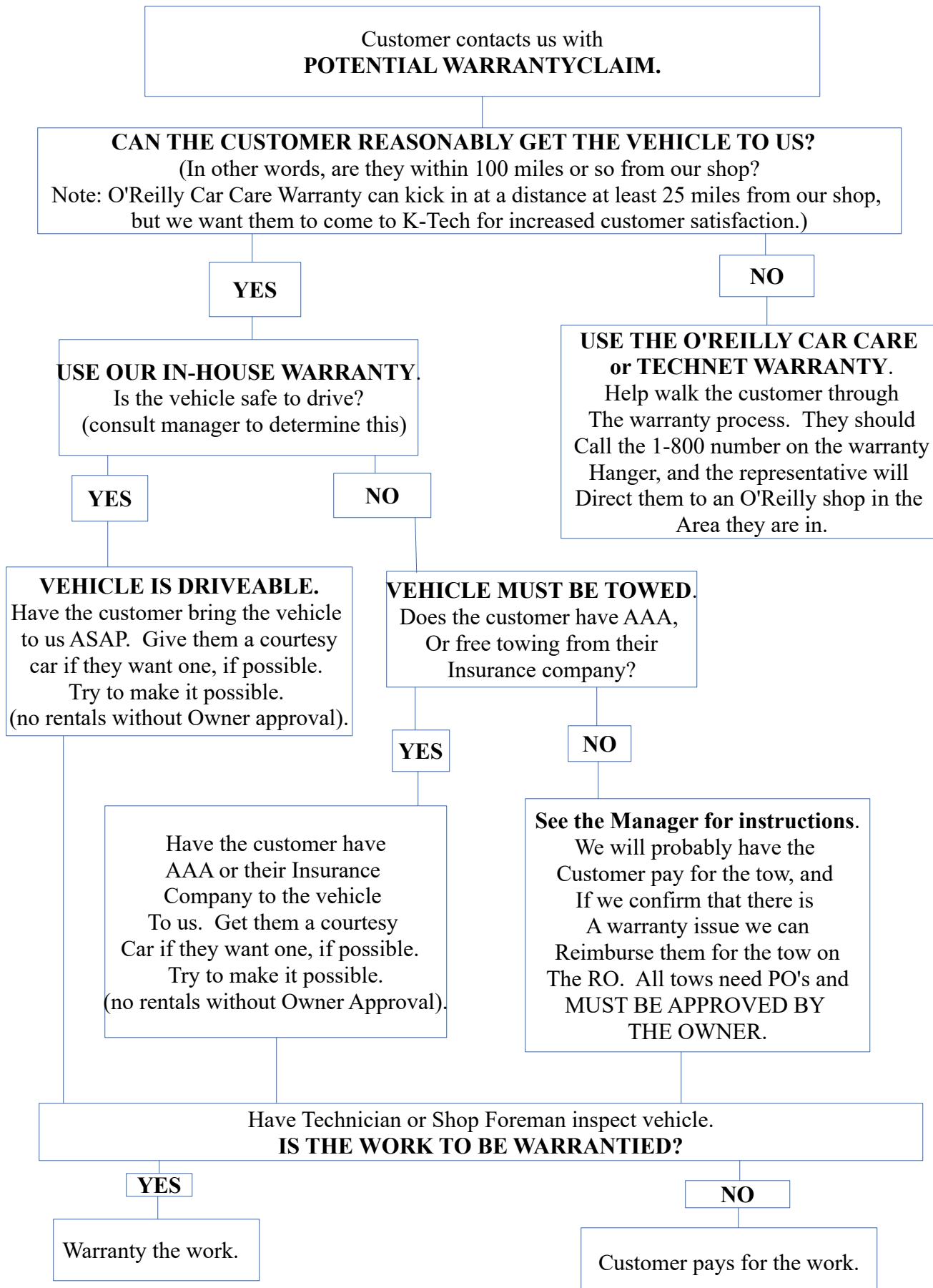
**RESULT:** The service advisor handles the customer and the warranty claim correctly and the customer maintains confidence in us. SEE ATTACHED WARRANTY FLOW DIAGRAM IN THIS DOCUMENT.

I have read and understood this policy \_\_\_\_\_ print name

\_\_\_\_\_ signature

\_\_\_\_\_ date

## WARRANTY FLOW DIAGRAM (PAGE 3 OF POLICY W2)



# **Policy W3 – Service Writer -Handling Warranty Claims**

(Short Version)

12.7.16

To: Service Writer

**PURPOSE:** To streamline and make consistent the handling of warranty claims for improved customer satisfaction and shop legal protection. Keep the customer happy and safe, and show them we care, and keep our costs down.

**POLICY:** We like to fix any warranty issues in-house whenever possible, because we don't know if another shop will give our customer the kind of care we do. But if the customer and car are far away and it does not make sense for them to come back here, then we use the Nationwide Warranty (O'Reilly or Technet) program.

## **PROCEDURE:**

### **1. Best Option: Get the vehicle back to our shop.**

- If the vehicle is clearly safe and driveable, then schedule them to come in so we can evaluate the concern they have. Since the concern may or may not be a warranty issue, approach it with the intentions of us evaluating the vehicle to determine whether it is a warranty issue or not. DO NOT ADMIT NOR DENY FAULT.
- If the vehicle may not be safe to drive, it will need to be towed. **HERE'S HOW TO HANDLE THE TOWING:**
  - If the vehicle is within 25 miles, figure out if we can pick it up ourselves and drive it here for them (depends on problem with vehicle). If we can do this, it saves us the cost of the tow.

### **2. Second Best Option: Have the customer take advantage of our 2-year Nationwide Warranty.**

- In a helpful manner, direct the customer to call the warranty phone number that was listed on their warranty pamphlet that was placed in their car or given to them when they picked up the car. Tell them if they have any problems or concerns, or need anything, to contact us. We are here to help, we care about them, and we want them to have a smooth experience with their vehicle.

**RESULT:** The customer feels taken care of by us, and they will return and tell their friends and family about us. The warranty claim was handled and the car fixed correctly at minimal cost to the shop.

I have read and understood this policy

\_\_\_\_\_ print name

\_\_\_\_\_ signature

\_\_\_\_\_ date

# **Policy W4 – Service Writer - Ordering Warranty Pamphlets**

(O-Reilly First Call Nationwide Warranty Only)

12.8.16

To: Service writer, gopher, manager

**PURPOSE:** Warranty pamphlets help inform our customers of how our Nationwide Warranty works and how they can use it. The purpose of this policy is to make sure we always have warranty pamphlets in stock to put in cars we work on.

**POLICY:** It takes a minimum of 10 days to get new pamphlets. Order new pamphlets when we are down to two rubber-banded bundles.

## **PROCEDURE:**

- Go to [www.certifiedautorepaircenters.com](http://www.certifiedautorepaircenters.com)
- Go to the bottom of the screen and select “SERVICE CENTER LOGIN.”
- Login: **k-tech automotive**  
pw: **mbtech13**
- Select “Tools” then “Branding Materials.”
- It may ask you to log in again. If so:  
Login for K-Tech: **k-tech automotive**  
pw: **1111**
- Select “ORDERS” at the top menu. Find an order for “24/24 Warranty Tags” or similar name and select “REORDER.”
- Make sure the order contains 2 boxes of the 24/24 pamphlets. Modify contents of cart as necessary.
- Proceed to the check out and use shop credit card. GET MANAGER APPROVAL BEFORE USING SHOP CREDIT CARD.
- Print out the receipt and file it according to procedure.

**RESULT:** We always have the right amount of warranty pamphlets in stock and never run out.

I have read and understood this policy \_\_\_\_\_ print name \_\_\_\_\_

\_\_\_\_\_ signature \_\_\_\_\_

\_\_\_\_\_ date \_\_\_\_\_

# Policy W5 – Service Writer -Writing up Warranty Work

12.7.16

To: Service Writer

**PURPOSE:** To write up warranty work in a way that is fair to the shop and the technician.

**POLICY:** Get the vendor to pay us for our labor whenever you can. Try to keep shop costs down.

## PROCEDURE:

### GENERAL:

- Get the vendor to pay our labor whenever possible. Certain vendors like O'Reilly, Worldpac (Technet), Napa and AutoZone have labor warranties and they will pay our full or partial labor rate to replace the part.
- **MAKE SURE TO FILE THE LABOR CLAIM WITH THE VENDOR RIGHT AWAY, DOCUMENT IT, AND FOLLOW UP TO COLLECT!**
- When you write up the task, make sure any tasks that are warranty ONLY contain warranty items – nothing that is not being warrantied should be on a separate line. This includes both parts AND labor.
- Start each warranty task with the word **WARRANTY** so it's clear to the vendor which task(s) are being warrantied.
- Select the "Warranty/No Charge" button in Winworks for the warranty task.
- **SELECT THE VENDOR SUPPLYING THE WARRANTY** from the dropdown menu in the same screen.
- Use the warranty chart in dropbox (or in the Warranty binder) to determine what labor rate that vendor pays, and make that the labor rate for the warranty task. This will make the amount due to us for the labor warranty show up in the Accounts Receivable list so we can track it more easily.
- If the vendor does not offer a labor warranty, ask them what they can do for us. Often they will give us discounts to help keep us happy.
- Make sure we get credit for the bad part and don't end up paying for the replacement part. Some vendors will charge us for the second part and give the refund for it as a credit on the next statement, so make sure your parts documentation/stamping is impeccable.
- Make sure to request labor reimbursement for diagnostics/inspection time from our supplier if they have a labor warranty that will pay this. If you know they do not (see chart) then do not check the "warranty/no charge" box on the diag line or it will throw off the numbers and AR.

### PARTS FAILURE:

1. Use Alldata "warranty time" to pay the tech unless the vendor is covering the labor (then use full labor time as per original RO and/or per Alldata plus 10% as per usual pricing). If the chart says the vendor only pays Alldata time, call and verify or see if you can get them to pay the full amount of billed hours we originally charged customer. If they won't, only put labor time for what Alldata says so we don't throw off numbers/AR.
2. DO NOT use the "standard" labor time or any kind of multiplier to increase the labor time above the warranty time (unless there is a labor warranty from our vendor as in #1 above.) so as to avoid not over-paying the tech.
3. For parts bought from vendors offering labor claims, always include diagnostic time and any additional items required to do the job and clean up after it (ie engine degreasing) (unless the chart says they don't pay it and you have asked and tried to get them to pay it and they agreed). We are trying to collect what we are owed from the vendor on the labor claim, so make sure it's in the repair order so we can get reimbursed for it.

### TECHNICIAN ERROR:

1. The tech gets 0.0 time (no billed-units) to do their own warranty repair.
2. The tech who made the error should be the one to do the warranty repair if possible.
3. If a tech who did not do the original job does the warranty work, that tech gets paid the Alldata warranty time.

**RESULT:** Out-of-pocket warranty costs to the shop are minimal. Labor claims are filed for every warranty job when we got the part from a vendor who has a labor warranty. The vendor pays for our diagnostic, too. We get discounts from vendors who don't offer an official labor warranty.

I have read and understood this policy \_\_\_\_\_ print name

\_\_\_\_\_ signature \_\_\_\_\_ date

# Policy W6 – Service Writer – Documenting Parts Warranty Claims in the Log

7.23.18

To: Service Writer, Manager

**PURPOSE:** Winworks does not have a warranty tracking module, so we are using the Core Tracking module to track our warranties as well as our cores.

## POLICY:

- Use the “Core Tracking” log to track warranties.
- Enter “WARR-P” before the part description to indicate that it is a warranty and not core.

## PROCEDURE:

1. In Winworks, in the upper left in the menu, select “Inventory.”
2. Select “Core Tracking.”
3. Select “Add” and enter the following information in the screen that pops up.
  - **Vendor:** Enter the vendor we bought the part from
  - **Customer info:** Enter the customer's name (last name, first name).
  - **Core description:** Type “WARR-P” and then the part description. For example, if the part was a sensor, type “WARR-P-SENSOR.” The “WARR-P” indicates the part is a warranty and not a core, and differentiates it from a labor warranty.
  - **Core part number:** Enter the part number.
  - **Date core returned:** Enter the date the warranty part was picked up.
  - **Location of core:** From the dropdown menu, select “IN HOUSE.” When the admin person or manager has confirmed we received credit, you will change this to “CORES WITH VENDOR.”
  - **Core cost:** Enter our cost.
  - **Cond. Part returned:** Leave blank.
  - **Order number:** Enter the repair order number.
  - **Quantity of core:** Enter the quantity you are having warrantied.
  - **EOD date:** This will autopopulate.
  - **Date sold/installed:** This will autopopulate.
4. Select the “ADD” button.
5. When you verify that we have received the credit for the warranty part on our monthly statement, then you will go into the log and hit the “RETURN CORE” button.

**RESULT:** The Service Writer uses the core tracking log to track part warranty claims. The service writer types “WARR-P” before the part description.

I have read and understood this policy \_\_\_\_\_ print name \_\_\_\_\_

\_\_\_\_\_ signature

\_\_\_\_\_ date

# Policy W7 – Service Writer – Documenting Labor Warranty Claims in the Log

7.23.18

To: Service Writer, Manager

**PURPOSE:** Winworks does not have a warranty tracking module, so we are using the Core Tracking module to track our warranties as well as our cores.

## POLICY:

- Use the “Core Tracking” log to track warranties.
- Enter “WARR-L” in the “core description” section followed by the description of the part that failed to indicate that it is a labor warranty and not a core or part warranty.

## PROCEDURE:

1. In Winworks, in the upper left in the menu, select “Inventory.”
2. Select “Core Tracking.”
3. Select “Add” and enter the following information in the screen that pops up.
  - **Vendor:** Enter the vendor we bought the part from
  - **Customer info:** Enter the customer's name (last name, first name).
  - **Core description:** Type “WARR-L” and then the description of the part that failed and needed to be replaced. For example, if the part was a sensor, type “WARR-L-SENSOR.” The “WARR-L” indicates the part is a warranty and not a core, and differentiates it from a part warranty, as it will populate on a separate report.
  - **Core part number:** Enter the part number for the part that failed and needed to be replaced.
  - **Date core returned:** Enter the date the warranty part was picked up.
  - **Location of core:** From the dropdown menu, select “IN HOUSE.” When the admin person or manager confirms we received credit for it, you will change this to “Cores with Vendor.”
  - **Core cost:** Enter the amount OF THE LABOR CLAIM, EXCLUDING PART COST.
  - **Cond. Part returned:** Leave blank.
  - **Order number:** Enter the repair order number.
  - **Quantity of core:** Enter “LABOR WARRANTY.”
  - **EOD date:** This will autopopulate.
  - **Date sold/installed:** This will autopopulate.
4. Select the “ADD” button.
5. When you have filed the labor claim and have documentation showing this, then you will go into the log and hit the “RETURN CORE” button.

**RESULT:** The Service Writer uses the core tracking log to track labor warranty claims. The service writer types “WARR-L” before the failed part description.

I have read and understood this policy

\_\_\_\_\_ print name  
\_\_\_\_\_ signature

\_\_\_\_\_ date

# **Policy W9 – Service Writer – Filing Warranty Parts Invoices**

9.19.18

To: Service Writer

**PURPOSE:** We need to file the warrant part invoices correctly so the admin person can easily and quickly locate warranties to make sure we are getting proper credit for them.

**POLICY:** Stamp the warranty parts invoice then file it in the Warranty Folder.

## **PROCEDURE:**

1. Stamp the warranty parts invoice with the “RETURN” stamp and write the date the faulty part was returned on the line.
2. Stamp the warranty part invoice with the “WARRANTY/CORE” stamp and circle “WARRANTY.”
3. Write “Part RMA #” followed by the part RMA number under the stamp, and the dollar cost of the part.
4. If a labor warranty is available from this vendor, file the labor claim (see other policy) and write “Labor RMA#” followed by the labor RMA number under the stamp, and the dollar cost of the labor claim.
5. Make a black-and-white photocopy of this parts invoice, with all the data you stamped and wrote on it.
6. File this invoice in the vendor folder as you do with normal parts invoices.
7. Put the black-and-white photocopy in the Warranty Folder.

**RESULT:** The service writer stamps the warranty part invoice with both the “RETURN” stamp and the date the part was returned, and the “WARRANTY/CORE” stamp, circles “WARRANTY,” writes “Part RMA#” plus the RMA number and dollar cost of the part, and if applicable, “Labor RMA#” plus the RMA number and dollar cost of the labor claim. Then the service writer makes a black-and-white photocopy of the part invoice, puts the original in the vendor folder, and the black-and-white copy in the Warranty Folder.

I have read and understood this policy \_\_\_\_\_ print name \_\_\_\_\_

\_\_\_\_\_ signature \_\_\_\_\_

\_\_\_\_\_ date \_\_\_\_\_

# Policy W10 – Service Writer – Filing Labor Claims

2.8.19

To: Service writer, Manager

**PURPOSE:** It is vital to file warranty claims, because they add up to a huge amount of money the shop needs and can use! The vendors won't go out of their way to give us labor claims, because it can cost them money. But it's something they offer and we need to take the steps to use it and hold them accountable, as warranties add up to tens of thousands of dollars annually.

**POLICY:** ALWAYS file the labor claim correctly!

## DEFINITIONS:

*Original repair order:* The repair order from when we first installed the part. (Reprint – not the signed original.)

*Warranty repair order:* The repair order generate this time, when the customer brought it back and we have to warranty the job.

## PROCEDURE:

1. Generate a repair order for the warranty job. You probably already wrote it up for an inspection the customer brought the car in. The repair order may have other customer pay tasks on it already, and that's ok.
2. Order the replacement part and notify the vendor that it's a warranty. They will probably bill us normally, then issue credit once they get the part returned to them.
3. Provide a warranty PO for the part.
  1. When you order a replacement part for a warranty job, the PO must be "WARR – 12345," with "12345" being the last 5 digits of the repair order. This will show us on the monthly invoice that the part needs to be warrantied ("WARR"), so the admin person can more quickly track it, and it will also help us track the part to a specific repair order ("12345").
4. This is critical – DO NOT LET THE VENDOR TAKE THE PART BACK YET! Before they can take the part, you must do the following steps.
5. When printing the repair order for our records and the records of the vendor, make sure you print the repair order WITHOUT the "warranty/no charge" button checked. This way, the labor price totals are shown on the repair order, and the vendor and admin person both need to see these price totals. You should reselect the "warranty/no charge" button before billing out the customer and closing the repair order.
6. Print 2 copies of the original repair order when we originally installed the part. (One copy for the warranty folder, one copy for the vendor.)
7. Print 2 copies of the current warranty repair order, showing the labor dollar costs on it. (One copy for the warranty folder, one copy for the vendor.)
  1. Circle the labor amounts that we are filing the claim for, to differentiate them from customer pay work.
  2. Write the total dollar amount of the labor claim on the top of this repair order, and include the labor hours and shop hourly rate for these particular jobs.
8. Put the bad part in the box the replacement part came in, and write "LABOR CLAIM" clearly and boldly on the box.

9. Staple or tape a copy of the original repair order AND the warranty job repair order to the part.
10. When the vendor comes to pick up the part and the copies of the repair order taped to it, get an RMA for the part (as usual). (THIS IS CRITICAL!)
11. Get a SEPARATE RMA for the labor claim, showing the exact amount of our claim. This will help the admin person when tracking labor claims, and IT IS CRITICAL TO HELPING US HOLD THE VENDOR ACCOUNTABLE FOR THE LABOR CLAIM! Make sure the amount of the labor claim written on the RMA matches what you are actually filing the claim for and matches what you wrote on the top of the warranty repair order.
12. Stamp the part invoice with the “RETURN” stamp and enter the date you returned it.
13. Stamp the part invoice also with the “WARRANTY/CORE” stamp, circle “WARRANTY” and
  1. Under the stamp, write “Part RMA #” followed by the part RMA number under the stamp, and the dollar cost of the part.
  2. Also write “Labor RMA#” followed by the labor RMA number under the stamp, and the dollar cost of the labor claim.
14. Make a black-and-white copy of the part invoice (including all the stamps and data as per above).
15. File the parts invoice in the vendor folder as you do with normal parts and returns invoices.
16. Attach together this black-and-white copy of the parts invoice, both part and labor RMAs, and the copies of the original repair order and the warranty repair order together, and place them in the Warranty Folder as a packet.
17. Make sure to put both the Part and Labor warranties in the warranty log on separate lines. See the other policies on this. This is critical for tracking purposes.

**RESULT:** The service writer is careful and thorough when following the steps above to file a labor claim, to help ensure we can collect on it.

I have read and understood this policy \_\_\_\_\_ print name \_\_\_\_\_  
\_\_\_\_\_  
signature  
\_\_\_\_\_ date

## **Policy W11 – Service Writer – Warranty Jobs Should be Scheduled and Dispatched Just like Normal Cars**

6.3.19

To: Service Advisor, technicians

**PURPOSE:** In regards to work-flow, warranty or POSSIBLE warranty jobs should be treated just like normal customer cars, because this results in the smoothest shop operation. Workflow should always be followed and this keeps things simple and streamlined.

If we put warranty jobs off too long, then they end up lingering and causing clogs in the work flow. If we push off customer pay work to get the warranty job done, then we could lose customer pay work. So the best thing to do is to treat the possible warranty or warranty job just like any other.

**POLICY:** Dispatch potential warranty inspections just like any other inspection. Dispatch warranty repairs just like any other repair.

### **PROCEDURE:**

1. If a customer alerts you to a possible warranty job/come back, first do not assume it is definitely a comeback. It may be an unrelated concern.
2. Schedule the customer a specific drop off time, just like other customers. In many cases we want to get them in sooner or as soon as possible for customer satisfaction, and that's fine. But schedule an appointment like you normally do.
3. When the customer brings the car in, write it up for the inspection.
4. Dispatch the car normally, the same way you do other cars. Don't try to work it in sooner or put it off later just because it might be a warranty job. Scheduling CAN be adjusted for certain factors, such as the customer is in a rental car, etc.

**RESULT:** The service writer schedules, writes up, and dispatches possible warranty and warranty jobs just like they were normal customer-pay jobs, so the work-flow stays consistent.

I have read and understood this policy \_\_\_\_\_ print name \_\_\_\_\_

\_\_\_\_\_ signature \_\_\_\_\_

\_\_\_\_\_ date \_\_\_\_\_

# **Policy W12 – Service Writer – Writing RO’s with Labor Claim on Them**

5.18.20

To: Service advisor, manager

**PURPOSE:** For vendors who offer labor claims, we want what is in Winworks and what the bookkeeper sees to match. We get checks and/or credit for labor warranties sent to us or placed on our monthly vendor bill. We need to show this as a “balance due” in Winworks for tracking purposes and to make the books balance.

**POLICY:** When you have a warranty situation involving a vendor who offers a labor warranty, check the “warranty/no charge” box and correctly select the vendor. Make sure the “labor sales” amount matches the exact amount we’ll be collecting from the vendor. Put the RO “on account” and then record the payment when the vendor pays the labor claim.

## **PROCEDURE:**

1. When you have a warranty issue, determine if the vendor offers a labor warranty. (Currently Worldpac, O'Reilly, and LKQ offer labor warranties.)
2. If so, write up the RO so that the “labor sales” amount is equal to the amount we will be getting from the vendor. Be sure the amounts match. \*
3. File your labor claim and document claim number, date and any other pertinent details in the “repair instructions” field in Winworks.
4. Check the “warranty/no charge” box in each warranty task, and select the correct vendor from the dropdown menu.” This will make the vendor show up as the party that owe's money in the accounts receivable list.
5. Make sure the parts list price is zeroed out.
6. Once the job is done, close the work order and put it “on account.” Look to make sure the vendor shows up as the owing party in the accounts receivable list, and make sure the amount matches the exact amount of the labor claim.
7. When we receive payment for the labor claim, record it as a payment on accounts receivable in Winworks.

\*NOTE - Be certain the amount of the labor claim matches the amount of the labor sales in Winworks, or it will throw the books off. You will need to know how the vendor reimburses labor claims – whether it is full shop labor rate, a percentage of the shop rate, etc., in order to do this correctly.

**RESULT:** The service advisor correctly writes and bills out RO's involving labor claims so we have a clear record of where each claim stands.

I have read and understood this policy

\_\_\_\_\_ print name

\_\_\_\_\_ signature

\_\_\_\_\_ date

# **Policy W13 – Service Writer – Organizing the Warranty Folder Monthly**

2.8.19

To: Service Writer, Manager

PURPOSE: You need to organize the warranty folder each month to make sure it's complete and ready for the admin person to review.

POLICY:

PROCEDURE:

RESULT:

I have read and understood this policy \_\_\_\_\_ print name

\_\_\_\_\_ signature

\_\_\_\_\_ date

# HOW TO DO A 24/24 WARRANTY

## **HERE IS THE WARRANTY INFORMATION AS WELL AS A GOOD EXAMPLE ON HOW OUR 24 MONTH / 24,000 MILE NATIONWIDE PRORATED WARRANTY WORKS:**

Anything within the first 12,000 miles or 12 months is 100% coverage

Once you hit 13 months, you owe the months or miles (whichever is greater) that you have already used in your warranty – for example:

If a charge was \$2,400 – to get a monthly cost we divide \$2,400 by 24 months and get each month of the warranty worth \$100.

If the customer comes to us at 13 months with the same problem, the warranty is over the “free period” so you look at what is the total months since the repair and in this case the customer had the repair 13 months ago – so you take the \$100 per month listed above and multiply it by 13 months to see what the customer will owe – in this case it is \$1,300.

If the customer was 18 months out from the repair – then  $\$100 \times 18 = \$1,800$  is due for repair.

When we do the repair, we give the customer another 2 Y / 24,000 mile warranty on the labor and parts. The customer wins because most places just give a 12 / 12 warranty, so they would have to pay the entire about for the repair again....in this case \$2,400.

Now, it is the judgment of the GM / Owner if they want to give the customer the repair free again based on the situation....we rarely have this happen at all, but if a customer came in after 13 -14 months with the problem, I will likely fix it for free.

I will get a parts credit for the bad part and likely also get a labor credit. Worst case I am out a few dollars of tech labor and a part that I purchased at cost. I still make money and the customer is happy.

We use this benefit to negotiate price all the time, so there are many good ways to use this offering.

Vendor	Amount of Reimbursement	How to Request Reimbursement	Labor guide vendor uses	Method of Reimbursement	Time Frame of Reimbursement	Warranty Period	Notes	Contact
O'Reilly	<b>\$50/hour</b>	Call the store. They will come pick up the copies or original and new/warranty repair order. <b>ALWAYS HAVE THEM FILL OUT AND SIGN WARRANTY PICKUP SHEET BECAUSE THINGS GET LOST!</b>	Whatever our original billed time was plus diag time.	Statement credit.	Up to 6 weeks	24/24	They need original RO and original invoice for part. Also need new RO and invoice for replacement part.  If we charged a higher than normal labor rate for that job, make sure that's clear so they pay the higher rate.	Store manager. Check notes in Winworks under the vendor for current names/contact info.
Worldpac /Technet	<b>\$75/hour</b>	Call 1-888-286-6772;  #1 for engines/transmissions;  #2 for new claims.  Answer the questions they ask and then they will email a response. Reply to the email with all documentation they ask for. They will by replay by email if approved.	??????  Probably whatever we charged originally.  They don't pay diag time.	Statement credit.	7-10 days	24/24	Standard Labor Claim; Damage Claim  If we charged a higher than normal labor rate for that job, make sure that's clear so they pay the higher rate.	Our normal rep, or the warranty rep. Check notes in Winworks under the vendor for current names/contact info.
Napa	<b>75% of labor rate up to \$250 paid out.</b> <b>Assume no labor since we don't buy enough, but maybe if you talk with the right person (NOT Nate).</b>	<b>Call Nate:</b>  <b>ALWAYS HAVE THEM FILL OUT AND SIGN WARRANTY PICKUP SHEET BECAUSE THINGS GET LOST! MAKE SURE TO GET RMA AND FOLLOW UP ON STATEMENT CREDIT. THEY TEND TO SIT ON OUR PARTS AND NOT CREDIT THEM IN A TIMELY MANNER.</b>	?????  Probably whatever we charged originally.	?????	?????	12/12	They won't pay extras like brake clean, or for fluids on a PS pump, etc. so don't include these items with a "list" charge in your paperwork or it will throw books off.  If we charged a higher than normal labor rate for that job, make sure that's clear so they pay the higher rate.	Don't call Nate. See if anyone else can help. Ask GM/owner.
Autozone	<b>50% of our labor rate.</b>  100% noise coverage for first 3 months on brakes.	Call the store.  <b>ALWAYS HAVE THEM FILL OUT AND SIGN WARRANTY PICKUP SHEET BECAUSE THINGS GET LOST!</b>	?????  Alldata time.  No diag time.	Statement credit.	Up to 24 hours.	24/24	They need original parts invoice and new RO that shows no labor billed to the customer. They'll usually give us needed fluids for free rather than reimburse, so ask for them when requesting replacement part and make sure zero charge on fluid invoice (brake clean, PS fluid, etc)  If we charged a higher than normal labor rate for that job, make sure that's clear so they pay the higher rate.	Call store.
Smathers	<b>NO LABOR WARR</b>							

I hereby authorize K-Tech Automotive, Inc. to perform the repair work described above, including any sublet work noted in the above estimate, and to furnish all necessary materials and parts. By my signature below I acknowledge all work performed by K-Tech Automotive, Inc. is subject to the terms and conditions set forth below and that I have carefully read these terms and conditions (**which include warranty information**) and agree to these terms

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Customer signature

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Storage: You may be charged for vehicle storage at the rate of \$45 per day beginning 24 hours after K-Tech notifies you that repairs to your vehicle are complete, unless otherwise agreed by K-Tech in writing prior to repair.

Vehicle Operation: You agree K-Tech may operate your vehicle on streets and highways, at your risk of loss, for the purposes of testing, inspection, moving, or delivery of your vehicle. You waive any claim related to the operation of your vehicle by K-Tech for such purposes, including without limitation, any damage to your vehicle which is not caused by K-Tech's operation of your vehicle or regarding the amount of miles driven.

Risk of Loss: You acknowledge K-Tech does not insure your vehicle against, and you release K-Tech for any liability associated with any, loss or damage to your vehicle or any personal property in your vehicle in the case of fire, theft, vandalism, accident, or any other cause beyond K-Tech's control.

Limited Warranty: K-Tech warrants that its repair services are free from defects in material and/or workmanship for 24 months or 24,000 miles of use, whichever comes first, determined from the date of repair or odometer reading shown on K-Tech's invoice (the "warranty period"). Subject to the exclusions and limitations below, K-Tech will repair, at its cost, all defects in the first 12 months of the warranty period or 12,000 miles of use, whichever comes first, and thereafter until the end of the warranty period or 24,000 miles of use, whichever comes first, a percentage of the cost of repairs determined by dividing the cost of repairs by 24, then multiplying that figure by the number of months that has elapsed since the original repair or the number of miles in thousands that the vehicle has been driven since the original repair (whichever is higher), and then subtracting the resulting figure from the cost of repairs.

This warranty does not apply to defects arising from (i) normal wear and tear or lack of periodic maintenance during the warranty period; (ii) repairs or service by third parties; and (iii) accident, fire, or other acts of God. **K-TECH MAKES NO OTHER WARRANTY OF ANY KIND, AND THE ABOVE WARRANTY SPECIFICALLY EXCLUDES ENGINE REPLACEMENTS, TRANSMISSION, CLUTCH, OR DIFFERENTIAL REPAIRS, AUTO BODY, PAINT, MOLDING, GLASS REPAIRS, TIRES, AND USED PARTS. IN NO EVENT SHALL K-TECH BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF VEHICLE USE. THIS WARRANTY EXCLUDES ALL REPAIRS TO COMMERCIAL VEHICLES.** Warranty excludes alignments and items that normally have a service life less than the warranty period, such as but not limited to fluids, filters and windshield wipers.

All warranty claims shall be made in writing to K-Tech and shall describe the nature of the claimed defect. K-Tech shall have the option to repair or replace any defective workmanship or parts, or refund the original amount invoiced for repairs (less any prior refunds), in K-Tech's sole election.

All repairs under this warranty must be performed by K-Tech, or by another vehicle repair facility designated and authorized in writing by K-Tech. **FAILURE AND/OR REFUSAL TO HAVE REPAIRS PERFORMED BY K-TECH OR ITS DESIGNATED THIRD PARTY VEHICLE REPAIR FACILITY SHALL BE DEEMED A WAIVER OF THIS WARRANTY AND K-TECH SHALL HAVE NO OBLIGATIONS WHATSOEVER UNDER THIS WARRANTY THEREAFTER.**

A buyer of this product in California has the right to have this product serviced or repaired during the warranty period. The warranty period will be extended for the number of whole days that the product has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect and the buyer notifies the manufacturer or seller of the failure of the repairs within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return this product for a replacement or a refund subject, in either case, to deduction of a reasonable charge for usage. This time extension does not affect the protections or remedies the buyer has under other laws.

Limitation of Liability: You acknowledge and agree that K-Tech's liability to you for any claim related to repair services it provides, including under the warranty described above, shall be limited to the original cost of such repair services (including parts and labor) as set forth on K-Tech's invoice for such repair services.

Collection Fees: You agree to pay K-Tech's costs incurred in the collection of any unpaid Invoice amount for K-Tech's services, including fees paid by K-Tech to a collection agency and/or any attorney fees paid by K-Tech, whether or not legal action is commenced by K-Tech. You agree to pay a \$30 returned check fee for any returned check.

I hereby authorize K-Tech Automotive, Inc. to perform the repair work described above, including any sublet work noted in the above estimate, and to furnish all necessary materials and parts. By my signature below I acknowledge all work performed by K-Tech Automotive, Inc. is subject to the terms and conditions set forth below and that I have carefully read these terms and conditions (**which include warranty information**) and agree to these terms

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Storage: You may be charged for vehicle storage at the rate of \$45 per day beginning 24 hours after K-Tech notifies you that repairs to your vehicle are complete, unless otherwise agreed by K-Tech in writing prior to repair.

Vehicle Operation: You agree K-Tech may operate your vehicle on streets and highways, at your risk of loss, for the purposes of testing, inspection, moving, or delivery of your vehicle. You waive any claim related to the operation of your vehicle by K-Tech for such purposes, including without limitation, any damage to your vehicle which is not caused by K-Tech's operation of your vehicle or regarding the amount of miles driven.

Risk of Loss: You acknowledge K-Tech does not insure your vehicle against, and you release K-Tech for any liability associated with any, loss or damage to your vehicle or any personal property in your vehicle in the case of fire, theft, vandalism, accident, or any other cause beyond K-Tech's control.

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All repairs under this warranty must be performed by K-Tech, or by another vehicle repair facility designated and authorized in writing by K-Tech. **FAILURE AND/OR REFUSAL TO HAVE REPAIRS  
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WAIVER OF THIS WARRANTY AND K-TECH SHALL HAVE NO OBLIGATIONS WHATSOEVER UNDER THIS  
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Limitation of Liability: You acknowledge and agree that K-Tech's liability to you for any claim related to repair services it provides, including under the warranty described above, shall be limited to the original cost of such repair services (including parts and labor) as set forth on K-Tech's invoice for such repair services.

Collection Fees: You agree to pay K-Tech's costs incurred in the collection of any unpaid Invoice amount for K-Tech's services, including fees paid by K-Tech to a collection agency and/or any attorney fees paid by K-Tech, whether or not legal action is commenced by K-Tech. You agree to pay a \$30 returned check fee for any returned check.

I hereby authorize Pauline's Automotive LLC to perform the repair work described above, including any sublet work noted in the above estimate, and to furnish all necessary materials and parts. By my signature below I acknowledge all work performed by Pauline's Automotive LLC is subject to the terms and conditions set forth below and that I have carefully read these terms and conditions (**which include warranty information**) and agree to these terms

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Customer signature

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Payment: Payment for all work performed by Pauline's is due immediately upon performance of such work. Pauline's may charge a monthly fee of 1% of the outstanding balance of any invoice beginning 30 days after the date of the invoice. You agree a mechanics lien shall exist in favor of Pauline's on your vehicle securing the amount of any invoice, including charges for labor, parts and storage, until such invoice is paid in full.

Storage: You may be charged for vehicle storage at the rate of \$45 per day beginning 24 hours after Pauline's notifies you that repairs to your vehicle are complete, unless otherwise agreed by Pauline's in writing prior to repair.

Vehicle Operation: You agree Pauline's may operate your vehicle on streets and highways, at your risk of loss, for the purposes of testing, inspection, moving, or delivery of your vehicle. You waive any claim related to the operation of your vehicle by Pauline's for such purposes, including without limitation, any damage to your vehicle which is not caused by Pauline's operation of your vehicle or regarding the amount of miles driven.

Risk of Loss: You acknowledge Pauline's does not insure your vehicle against, and you release Pauline's for any liability associated with any, loss or damage to your vehicle or any personal property in your vehicle in the case of fire, theft, vandalism, accident, or any other cause beyond Pauline's control.

Limited Warranty: Pauline's warrants that its repair services are free from defects in material and/or workmanship for 12 months or 12,000 miles of use, whichever comes first, determined from the date of repair or odometer reading shown on Pauline's invoice (the "warranty period"). Subject to the exclusions and limitations below, Pauline's will repair, at its cost, all defects in the 12 months of the warranty period or 12,000 miles of use, whichever comes first,

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## **HOW TO USE THIS BINDER**

DO THE SAME PROCEDURE WHETHER OR NOT THE VENDOR OFFERS A LABOR WARRANTY. JUST OMIT THE LABOR WARRANTY PART AND INCLUDE THE REST OF THE DOCUMENTATION TO REFLECT THE PART ONLY WARRANTY.

### **FILE WARRANTIES WITH THE NEWEST ON TOP. FILE DOCS IN THIS ORDER:**

1. COVER SHEET:
    - **TECHNET:** EMAIL SHOWING CLAIM WAS FILED, CLAIM NUMBER AND AMOUNT OF CLAIM.
    - **O'REILLY:** HAND WRITE ON THE ORIGINAL RO IN THE UPPER LEFT HAND CORNER THE DATE/TIME YOU HANDED THE PAPERWORK TO THE VENDOR AND THE NAME OF THE PERSON YOU HANDED IT TO, INCLUDE DOLLAR AMOUNT OF CLAIM.
    - **AUTOZONE:** HAND WRITE ON THE ORIGINAL RO IN THE UPPER LEFT HAND CORNER THE DATE/TIME YOU HANDED THE PAPERWORK TO THE VENDOR AND THE NAME OF THE PERSON YOU HANDED IT TO, INCLUDE DOLLAR AMOUNT OF CLAIM.
    - **NAPA:** HAND WRITE ON THE ORIGINAL RO IN THE UPPER LEFT HAND CORNER THE DATE/TIME YOU HANDED THE PAPERWORK TO THE VENDOR AND THE NAME OF THE PERSON YOU HANDED IT TO, INCLUDE DOLLAR AMOUNT OF CLAIM.
    - **LKQ:** HAND WRITE ALL NOTES OF DATES/TIMES AND NAMES OF WHO YOU COMMUNICATED TO ABOUT IT AND THE RESULT OF THOSE COMMUNICATIONS, INCLUDE DOLLAR AMOUNT OF CLAIM.
    - **OTHER:** SAME AS ABOVE, DEPENDING ON VENDOR
  2. ORIGINAL REPAIR ORDER WHERE ORIGINAL WORK WAS DONE (WORK ORDER COPY + TECH COPY)
  3. PHOTOCOPY(IES) OF ORIGINAL PARTS INVOICES WITH PART CIRCLED
  4. WARRANTY REPAIR ORDER SHOWING THE WARRANTY WORK (WORK ORDER COPY + TECH COPY)
  5. PHOTOCOPY(IES) OF REPLACEMENT PART(S) PLUS ANYTHING ELSE NEEDED TO DO THE REPAIR IE FLUIDS, MULTIPURPOSE CLEANER, ETC
  6. PROOF THE PART WAS WARRANTIED AT OUR FULL COST.
  7. PROOF THE LABOR CLAIM WAS PAID OUT AT THE FULL AMOUNT OF OUR REQUEST.
  8. DOCUMENTATION SHOWING THE PAYMENT WAS ACCEPTED IN AR (ACCOUNTS RECEIVABLE)
- USE AN APPROPRIATELY SIZED BINDER CLIP (NOT PAPER CLIP) TO BIND ALL THESE TOGETHER, TO SEPARATE EACH WARRANTY CLAIM.
- WHEN YOU RECEIVE A NON-STATEMENT CREDIT LIKE A CHECK, RECORD IT AS AN AR PAYMENT ON THAT ACCOUNT.
- WHEN YOU RECEIVE A STATEMENT CREDIT, MAKE AND AR ADJUSTMENT AND NOTIFY THE BOOKKEEPER IMMEDIATELY THAT YOU MADE THAT DOLLAR AMOUNT GO AWAY ON THAT ACCOUNT BECAUSE WE RECEIVED A STATEMENT CREDIT, SO SHE CAN FIX THE BOOKS.
- ANY DISCREPANCIES, HOWEVER SLIGHT, BETWEEN WHAT WAS ON THE WORK ORDER ON THE WARRANTY LINE(S) AND WHAT WE WERE ACTUALLY PAID NEEDS TO BE BROUGHT TO YOUR MANAGER'S ATTENTION **IMMEDIATELY** UNLESS YOU CAN GET IT CORRECTED YOURSELF. THERE MAY BE AN ERROR, OR THE BOOKS MAY NEED TO BE CORRECTED. AR (ACCOUNTS RECEIVABLE) MUST ALWAYS MATCH REALITY/ACTUAL PAYMENTS.

## Cal Civ Code § 1793.1

This document is current with urgency legislation through Chapter 1 of the 2013 Regular Session of the 2013-2014 Legislature.

[Deering's California Code Annotated](#) > [CIVIL CODE](#) > [Division 3.](#) > [Part 4.](#) > [Title 1.7.](#) > [Chapter 1.](#) > [Article 3.](#)

### § 1793.1. Form of express warranties; Requirements on distribution of warranty or product registration card or form, or electronic online warranty or product registration forms

(a)

- (1) Every manufacturer, distributor, or retailer making express warranties with respect to consumer goods shall fully set forth those warranties in simple and readily understood language, which shall clearly identify the party making the express warranties, and which shall conform to the federal standards for disclosure of warranty terms and conditions set forth in the federal Magnuson-Moss Warranty-Federal Trade Commission Improvement Act ([15 U.S.C. Sec. 2301](#) et seq.), and in the regulations of the Federal Trade Commission adopted pursuant to the provisions of that act. If the manufacturer, distributor, or retailer provides a warranty or product registration card or form, or an electronic online warranty or product registration form, to be completed and returned by the consumer, the card or form shall contain statements, each displayed in a clear and conspicuous manner, that do all of the following:
  - (A) Informs the consumer that the card or form is for product registration.
  - (B) Informs the consumer that failure to complete and return the card or form does not diminish his or her warranty rights.
- (2) Every work order or repair invoice for warranty repairs or service shall clearly and conspicuously incorporate in 10-point boldface type the following statement either on the face of the work order or repair invoice, or on the reverse side, or on an attachment to the work order or repair invoice: "A buyer of this product in California has the right to have this product serviced or repaired during the warranty period. The warranty period will be extended for the number of whole days that the product has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect and the buyer notifies the manufacturer or seller of the failure of the repairs within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return this product for a replacement or a refund subject, in either case, to deduction of a reasonable charge for usage. This time extension does not affect the protections or remedies the buyer has under other laws."

If the required notice is placed on the reverse side of the work order or repair invoice, the face of the work order or repair invoice shall include the following notice in 10-point boldface type: "Notice to Consumer: Please read important information on back."

A copy of the work order or repair invoice and any attachment shall be presented to the buyer at the time that warranty service or repairs are made.

- (b) No warranty or product registration card or form, or an electronic online warranty or product registration form, may be labeled as a warranty registration or a warranty confirmation.
- (c) The requirements imposed by this section on the distribution of any warranty or product registration card or form, or an electronic online warranty or product registration form, shall become effective on January 1, 2004.
- (d) This section does not apply to any warranty or product registration card or form that was printed prior to January 1, 2004, and was shipped or included with a product that was placed in the stream of commerce prior to January 1, 2004.
- (e) Every manufacturer, distributor, or retailer making express warranties and who elects to maintain service and repair facilities within this state pursuant to this chapter shall perform one or more of the following:
  - (1) At the time of sale, provide the buyer with the name and address of each service and repair facility within this state.

- (2) At the time of the sale, provide the buyer with the name and address and telephone number of a service and repair facility central directory within this state, or the toll-free telephone number of a service and repair facility central directory outside this state. It shall be the duty of the central directory to provide, upon inquiry, the name and address of the authorized service and repair facility nearest the buyer.
- (3) Maintain at the premises of retail sellers of the warrantor's consumer goods a current listing of the warrantor's authorized service and repair facilities, or retail sellers to whom the consumer goods are to be returned for service and repair, whichever is applicable, within this state. It shall be the duty of every retail seller provided with that listing to provide, on inquiry, the name, address, and telephone number of the nearest authorized service and repair facility, or the retail seller to whom the consumer goods are to be returned for service and repair, whichever is applicable.

### **History**

Added Stats 1970 ch 1333 § 1. Amended Stats 1971 ch 1523 § 8, operative January 1, 1972; Stats 1972 ch 1293 § 1; Stats 1980 ch 394 § 1; Stats 1981 ch 150 § 1, effective July 8, 1981; Stats 1982 ch 381 § 1; Stats 2002 ch 306 § 1 (SB 1765).

### **Annotations**

### **Notes**

#### **Amendments:**

##### **1971 Amendment:**

(1) Designated the former section to be subd (a); and (2) added subd (b).

##### **1972 Amendment:**

(1) Substituted "a" for "the" after "and telephone number of" in subd (b)(2); and (2) added ", or the toll-free telephone number of a service and repair facility central directory outside this state" in subd (b)(2).

##### **1980 Amendment:**

Added (1) "(1)" in subd (a); (2) subd (a)(2); and (3) "the" before "sale" in the first sentence of subd (b)(2).

##### **1981 Amendment:**

Amended subd (a)(2) by adding (1) ", or on the reverse side thereof," in the first paragraph; and (2) the second paragraph.

##### **1982 Amendment:**

Amended subd (a)(1) by (1) substituting "simple and readily understood language, which shall" for "readily understood language and"; and (2) added ", and which shall conform to the federal standards for disclosure of warranty terms and conditions set forth in the federal Magnuson-Moss Warranty Federal Trade Commission Improvement Act, and in the regulations of the Federal Trade Commission adopted pursuant to the provisions of that act".

##### **2002 Amendment:**

(1) Amended subd (a) by; (a) substituting "those" for "such" before "warranties in simple"; (b) substituting "the" for "such" before "express warranties,"; (c) substituting "Warranty-Federal" for "Warranty Federal"; (d) adding "[\(15 U.S.C. Sec. 2301 et seq.\)](#)"; (e) substituting "If the manufacturer, distributor, or retailer provides a warranty or product registration card or form, or an electronic online warranty or product registration form, to be completed and returned by the consumer, the card or form shall contain statements, each displayed in a clear and conspicuous manner, that do all of the following: (A) Informs the consumer that the card or form is for product registration. (B) Informs the consumer that failure to complete and return the card or form does not diminish his or her warranty rights. (2) Every work order or repair invoice for warranty repairs or service shall clearly and conspicuously incorporate in 10-point bold-

face type the following statement either on the face of such work order or repair invoice, or the" for "on the reverse side thereof, or on an attachment to the work order or repair invoice: A buyer of this product in California has the right to have this product serviced or repaired during the warranty period. The warranty period side,"; **(f)** deleting "A laws." that the product has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect and the buyer notifies the manufacturer or seller of the failure of the repairs within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return this product for a replacement or a refund subject, in either case, to deduction of a reasonable charge for usage. This time extension does not affect the protections or remedies the buyer has under other laws." before "If the required notice"; **(g)** adding parenthesis in the next to last sentence; and **(h)** deleting "thereto" before "shall be presented to the";**(2)** adding subds (b), (c) and (d); **(3)** amended subd (e) by; **(a)** adding the subdivision designator; **(b)** deleting "the provisions of" before "this chapter"; **(c)** adding "perform one or more of the following"; **(4)** deleted "such" before "service and repair" and "buyer; **(5)** deleting "; or" after the last word in subds (e)(2) and (3); **(6)** amended subd (e)(3) by; **(a)** substituting "the" for "such" before "warrantor's authorized"; and **(b)** substituting "that" for "such a" before "listing to provide,".

#### **Editor's Notes**

See note to § 1790.4.

#### **Note**

Stats 1981 ch 150 also provides:

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The requirement of providing a written statement on the face of a work order or repair invoice or an attachment thereto concerning the extension of the warranty period for the period of warranty repairs has created confusion and inability on the part of many manufacturers, distributors, or retailers to effectively comply. Such compliance can be more speedily obtained if the required statement can be printed on the reverse side of a work order or repair invoice or if, alternatively, a sign can be posted at the repair or service facilities, and to this end, it is necessary for this act to take effect immediately.

#### **Research References & Practice Aids**

##### **Cross References:**

Disclosure requirements applicable to sale of grey market goods: [CC § 1797.81](#).

##### **Collateral References:**

[Cal. Forms Pleading & Practice \(Matthew Bender\(R\)\) ch 502](#) "Sales: Warranties".

Cal. Points & Authorities (Matthew Bender(R)) ch 206 "Sales" § 206.100.

Cal. Points & Authorities (Matthew Bender(R)) ch 206 "Sales" § 206.102.

4 Witkin Summary (10th ed) Sales §§ 315, 316, 317.

Cal. Legal Forms, (Matthew Bender(R)) §§ 52.01, 52.128, 52.129, 52.290, 57.203, 89.205, 92.52, 92.144, 92.220, 92.221, 92.223, 92.224.

Judicial Council of California Civil Jury Instructions, [CACI Nos. 3200, 3201](#) (Matthew Bender).

Cal Jur 3d (Rev) Consumer and Borrower Protection Laws §§ 344, 349.

##### **Law Review Articles:**

Steering the Titanic clear of the iceberg: saving the sale of software from the perils of warranties. [31 USF LR 531](#).

**Annotations:**

Products liability: admissibility, against manufacturer, of product recall letter. [84 ALR3d 1220.](#)

**Hierarchy Notes:**

Deering's California Codes Annotated

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