



Vehicle Value Experts

"No One Else Comes Close"

November 17, 2015

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Re: Inherent Diminished Value One-Owner 2013 Mazda MX-5 Miata JM1NC2PF3D0230060

Dear Mrs. Wetzel,

REDACTED

I have reviewed the documents provided to me about your One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles Inherent Diminished Value Claim with York Risk Service Group. After a full review of such, it is our Professional Opinion; you are entitled to a 16% Deviation in Inherent Diminished Value from the June 2015 Pre-Wreck Fair Market Retail Value of \$25,995.00. Please see below concise overview and supporting documents attached to support The Scientific Reasoning of said compensation in fact due to you in Inherent Diminished Value Compensation of \$4,000.00 from the collision and/or wreck that occurred on June 5, 2015.

Today's technology and readily accessible data at the stroke of a key as it relates to a Motor Vehicles Title History; Maintenance Records; Service Records; State Inspection Records; License Plate Renewal, Lien Holder and/or Accident Reports has helped assist consumers, lenders, dealers and insurance companies in detecting; finding; pinpointing and identifying damage; examining wreck and mechanical repairs; comparing and analyzing the buying, selling, insuring and lending practices of the vehicle of choice down to a Science. Motor Vehicle Buying today is more transparent than ever before. At the very point, a vehicle has been involved in a wreck and damaged, merely returning the vehicle to its prior cosmetic appearance and mechanical function does not return the vehicle to its pre-loss fair market value/condition. Issues regarding the vehicle's marketability value, warranty issues may arise, as well as the vehicle in most cases is no longer eligible to be sold as a "Certified Pre-Owned" vehicle by the Manufacturing Dealer of such. Negative vehicle histories are easy to track and/or identify, and adverse histories most certainly will cost thousands of dollars to a vehicle owner in Inherent Diminished Value.

Vehicle Surveys show that 43% of car buyers would not buy a car that they knew had been in an accident. Another 42% said they might buy a previously damaged vehicle, only if it was substantially discounted. Thus said, Compensation for Justifiable Repaired Damages to a Motor Vehicle for any difference between the Original Fair Market Value before the repairs and the Fair Market Retail Value after repairs are in fact the Foundation of Inherent Diminished Value!



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OVERVIEW:

Insurance Consumer Advocate Networks Diminished Value Consumer Survey (see Exhibit A) records state as of July 31, 2015 that out of 1,651 responses to the survey question, “Would you pay the same price for a \$20,000.00 Vehicle that had no prior collision damage as a Vehicle that had \$5,000.00 worth of Collision Repairs?” **98.51% said NO! [Emphases added]**

Out of the individuals who said “NO” as (see Exhibit A1) of July 31, 2015, they would not pay the same price for a Vehicle that had \$5,000.00 worth of Collision Repair, survey participants were further asked what they would pay for the Vehicle that has been repaired using new factory original (OEM) body parts, with all original Factory Warranties that would transfer to them. Survey Participants were then asked what they would pay for the Vehicle that has been repaired using After-Market Body and/or Mechanical Parts with only a portion of the original Factory Warranty that will transfer to them. The Results were noted that the \$20,000.00 Vehicle that had a Collision Repair Damage of \$5,000.00 and repaired with O.E.M. Parts with all original Factory Warranties that would transfer to them it is noted the Individuals would have paid 23.49 % less. The Results were noted that the \$20,000.00 Vehicle that had a Collision Repair Damage of \$5,000.00 and repaired using After-Market Body and/or Mechanical Parts with only a portion of the original Factory Warranty that would transfer to them it is noted the Individuals would have paid 41.65 % less.

Insurance Consumer Advocate Networks Diminished Value Consumer Survey (see Exhibit A) records state as of October 31, 2015 that out of 1,663 responses to the survey question, “Would you pay the same price for a \$20,000.00 Vehicle that had no prior collision damage as a Vehicle that had \$5,000.00 worth of Collision Repairs?” **98.52% said NO! [Emphases added]**

Out of the individuals who said “NO” as (see Exhibit A2) of October 31, 2015, they would not pay the same price for a Vehicle that had \$5,000.00 worth of Collision Repair, survey participants were further asked what they would pay for the Vehicle that has been repaired using new factory original (OEM) body parts, with all original Factory Warranties that would transfer to them. Survey Participants were then asked what they would pay for the Vehicle that has been repaired using After-Market Body and/or Mechanical Parts with only a portion of the original Factory Warranty that will transfer to them. The Results were noted that the \$20,000.00 Vehicle that had a Collision Repair Damage of \$5,000.00 and repaired with O.E.M. Parts with all original Factory Warranties that would transfer to them it is noted the Individuals would have paid 23.49 % less. The Results were noted that the \$20,000.00 Vehicle that had a Collision Repair Damage of \$5,000.00 and repaired using After-Market Body and/or Mechanical Parts with only a portion of the original Factory Warranty that would transfer to them it is noted the Individuals would have paid 41.69 % less.

CARFAX, N.A.D.A., and Kelley Blue Book are a trusted and objective resource in Motor Vehicle Data Mining and Management, they are heavily relied on not only by consumers during and prior to their vehicle purchase for accurate and up to date Motor Vehicle History Information but are counted on and entrusted by Auctions; Manufacturers; Dealers; Insurance Agencies; Appraisal Agencies; Government Entities, Lenders and Financial Institutes alike as an invaluable tool for asset management. As a matter of fact, N.A.D.A. Used Car Guide had its origins in 1922,

fives years after Dealers formed NADA, when the association began studying used-car values at the U.S. Government's request. N.A.D.A. and Kelley Blue Book Market Values are comprised of and arrived at by millions of actual retail and wholesale factual documented transactions, including Manheim Dealer to Dealer Auction Data to arrive at their respected Fair Market Vehicle Values. N.A.D.A. and Kelley Blue Book are the most reliable and relevant Motor Vehicle Pricing Tool in the industry. Consumers in Today's Market Place before buying a Pre-Owned vehicle will routinely, if not always, "*Ask for the CARFAX*" before making their buying decision and will always base and support their purchase price from the information contained in the CarFax Report. Astute and Reputable Motor Vehicle Dealers will always purchase CarFax Reports prior to purchasing and/or trading for a Vehicle and unequivocally understand they are liable for not reporting and/or disclosing damage and/or Title Issues and/or irregularities to the vehicle as well as satisfying any manufacturer open recalls on the vehicle prior to the Retail Sale of such vehicle. In the Astute and Reputable Motor Vehicle Dealers eyes, the CarFax Report discloses and outlines Prior Wreck Damage; Accidents involving the Vehicle; Mechanical Deficiencies; Service Records; Mileage Discrepancies; Title Errors and/or Brands on Title and will list any Open Manufacturer Recalls. Vehicles with a less than perfect CarFax Reports will always sell for less than the Fair Market Value Price and in most cases are precluded from gaining Certified Pre-Own Statues by the Manufacturer of said Make Franchise Dealer. Most always a Lender will shy away from advancing money against a vehicle with a BAD CARFAX REPORT. Lenders undeniably use CarFax, N.A.D.A., and Kelley Blue Book as a reliable tool to value the vehicle before Loaning Money against the Collateral.

J.D. POWER McGraw Hill Financial dba Mitchell a Leading National Motor Vehicle Market Valuation Firm, who primarily engages in Motor Vehicle Valuation Reports for Insurance Companies, purchased (see Exhibit B, July 1, 2015, Press Release) NADA Used Car Guide several months back expanding its Analytics and Modeling Capabilities in the Used Vehicle Industry. As noted by J.D. POWER "The acquisition of NADA Used Car Guide expands J.D. POWER's analytical and modeling capabilities, deepening its presence in auto finance and auto insurance and enriching retail solutions," said Douglas L. Peterson, president and chief executive officer of McGraw Hill Financial. "J.D. Power's impressive breadth of automotive benchmarking, and analytical and advisory services, ideally positions it to create unique market intelligence with unparalleled value by combining NADA used-car analytics with PIN's extensive new-car retail and pricing capabilities."

Kelley Blue Book, best known for its used-vehicle values (Kelley Blue Book values are powered by millions of retail and wholesale transactions, including Manheim auction data) and Autotrader, an online vehicle shopping site several months back merged (see Exhibit C, Cox merges Autotrader.com and KBB) to create Cox Automotive Media.

Cox Automotive President Sandy Schwartz was quoted,

"Together, Autotrader and Kelley Blue Book garner more consumer recognition, more shoppers and deliver more advertiser value than any other third-party automotive site. More than 65 percent of all shoppers visit Autotrader.com or KBB.com during the shopping process."

Jared Rowe, President of the newly minted Cox Automotive Media President, was quoted,

"Capitalizing on each unit's brand equity, Autotrader and Kelley will maintain distinct websites and market positions but share data and resources."

Cox Automotive is a leading provider of digital marketing, wholesale and e-commerce solutions across the automotive industry. The company partners with more than 40,000 dealers, as well as major automobile manufacturers, and touches car buyers in the U.S. with the most recognized brands in the industry.

N.A.D.A., Kelley Blue Book, and CARFAX are a global marketing information company that warehouses accurate real-time automotive information based on the collection of daily new-and-used vehicle transactions. Simply put N.A.D.A., Kelley Blue Book and CARFAX have a wealth of data and information you can't get anywhere else. [Emphases mine]

Mazda Certified Pre-Owned (see Exhibit D1, Mazda Certified Pre-Owned Brochure) questions most definitely come into account on collision damage repaired vehicles. The Mazda Certified Pre-Owned 150-Point Vehicle Inspection Checklist Eligibility (see attached Exhibit D2, Mazda Certified Pre-Owned 150-Point Vehicle Inspection Checklist) under Section V. "Raise Vehicle on Hoist, Tires, Frame & Underbody" states, "Check for frame or unibody damage, Check for presence of catalytic converter and shielding." The instant the above referenced One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles is placed onto the hoist to perform the Mazda Certified Pre-Owned 150-Point Vehicle Inspection. The technician will readily notice that the frame has been cut on and welded to accommodate for the replacement of the undercarriage shield. Thus shedding a cloud on the validity of the Mazda Certified Pre-Owned Qualifications. The Mazda Certified Pre-Owned 150-Point Vehicle Inspection Checklist as part of the validity specifically requirements requires the Technician to sign off on each inspection point as well as the Manager, and then, in addition, requires the New Prospective Buyer to sign the inspection sheet as well, fully agreeing with all items and/or irregularities as stated.

According to a recent J.D. Power and Associates study, sales of certified used cars have increased 46 percent since 2000. For many people, certified used cars have become affordable alternatives to new cars. By "certified used" or "certified pre-owned," we mean used cars that are offered for sale by your local dealer and feature warranties that extend beyond the initial "when new" coverage. Also Certified, Pre-Owned Models are offered special financing incentives.

To qualify for the definition of a "Certified Pre-Owned" vehicle, the warranty must be backed by the original vehicle manufacturer. The original manufacturer of the vehicle is using its dealer network to inspect the car, determine if it is worth certifying and then offer support for the vehicle for a period beyond the original warranty. Not all used cars can qualify for certified pre-owned programs, and terms vary from one brand to the next, but any true certified pre-owned program will include at least a 100-point inspection of the car as well as a CarFax Report. If problems are found, the factory-trained technicians will fix it or disqualify the car from the program. The certified warranty protection typically takes effect when the original warranty expires and, like a new car warranty offers coverage for a certain number of years or miles, whichever comes first.

The benefits of purchasing a certified pre-owned car versus a used car from a private party or used car lot are obvious. You have the factory standing behind the certified pre-owned car, plus you'll be buying a car that the original manufacturer has inspected to ensure that it is worthy of certification. The only downside to certified pre-owned cars is that they are more expensive than

other used cars. However in most cases Certified Pre-Owned Vehicles qualify for special financing incentives. But in this case, the benefits of a Certified Pre-Owned Vehicle may outweigh the cost for many buyers, the peace of mind alone in purchasing a Certified Pre-Owned Vehicle is enough to justify the extra cost. Attractive finance options on Certified Pre-Owned Vehicles will always come into play as a added bonus. *Retrieved from www.edmunds.com*

The National Motor Vehicle Title Information System (NMVTIS) is an electronic database system that was created and designed to address fraud and help protect consumers by consolidating vehicle history information from across the United States into a central database. The system (NMVTIS) contains vehicle title information from state motor vehicle agencies, insurance companies, auto recyclers, junk yards and salvage yards. However despite today's technology and transparency in the data reporting of motor vehicle accidents; wrecks; collision damage, flood-related events; maintenance recordings; mechanical repair records; state inspection records and license records, no doubt negative adverse items related to the vehicle's mechanical and structural history slip through the cracks, thus harming innocent prospective buyers of pre-owned motor vehicles, dealers, auctions, lenders and insurance companies, costing the likes of such buyers, sellers, lenders and insurance companies thousands of dollars per occurrence. In addition, holes in the system increase the likelihood that non-documented collision repairs, flood damage repaired, salvaged vehicles and total loss rebuilds from time to time end up in the hands of unsuspecting consumers and dealers being taken advantage of by unscrupulous individuals and dealers selling these refurbished vehicles as quality vehicles. Vehicle Value Experts highly recommends each purchaser of a Pre-Owned Motor Vehicle to take the vehicle to a trained expert in the motor vehicle sales, mechanical and/or collision industry prior to the purchase for a thorough evaluation of the mechanical and structural well-being of the vehicle, as well as insist on a full motor vehicle identification number and title history search to check for any known documented and/or reported infractions prior to purchase. ***Best quoted by The Texas Department of Motor Vehicle.. "Don't buy a wreck, do a title check."***
[Emphases added]

SUMMARY:

On December 23, 2013, the above referenced 2013 Mazda MX-5 Miata Grand-Touring was purchased Brand New with 397 miles on the odometer from Bob Moore Auto Group in Oklahoma, Oklahoma (see Exhibit E1, Retail Purchase Agreement) for \$32,557.00 plus Tax, Title, and License. Exhibit E2 is the Texas Department of Motor Vehicles Receipt evidencing the Final Purchase Price after Rebate was \$28,400.00, and the actual mileage was 397. Exhibit E3 is the NADA Mazda MSRP (\$32,590.00) listing Selected Options and Standard Equipment. Exhibit E4 is the 2013 Mazda MX-5 Miata Vehicle Identification Number (VIN) Decoder. **Date of Loss was June 5, 2015. Mileage was 3,759.**

For your review, I have attached as Exhibit F, the CARFAX Report dated October 21st, 2015 on the above-referenced vehicle (Your 2013 Mazda MX-5 Miata) currently reflecting a "No Accident/Damage Reported to CarFax...5 Service Record Available...3,760 Last Reported Odometer Reading," worth \$340.00 Above Retail Book Value with an Adjusted Retail Value of \$27,740.00. CarFax Adjusted Retail Value of \$27,740.00 does not take into account the repaired frame damage and collision repair performed by El Dorado Collision Repair Shop of \$8,011.02.

Now after the accident, not only is your One-Owner 2013 Mazda MX-5 Miata Grand-Touring Model with 3,759 miles possibly if not most certainly not eligible for Certified Pre-Owned Status by Mazda (see Exhibit D) now that it has repaired frame, repaired collision damage, and paint refinishing. In the event you were to Trade it into a Certified Mazda Dealer or Sell it to them with the intent of the Certified Mazda Dealer reselling the Miata, they would have to disclose the irregularities to the Miata fully found during the Mazda Certified 150-Point Vehicle Inspection (requires Technician and Managers signature of authenticity and New Buyer as well) to the next Retail Buyer in detail before the Sale. Also, with the paintwork, collision repair, and frame repair, leading Retailers such as CAR-MAX would not purchase your Miata now for Retail Sale, thus further restricting your ability to Market and/or Sell your One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles for a Favorable Fair Market Price. Thus said, at The Point of Impact by the Moving and/or Storage Companies Employee/Driver you became Financially Damaged in Inherent Diminished Value to your One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles and became entitled to compensation as such. After the collision on June 5, 2015, you are now left with a Less Than Desirable One-Owner 2013 Mazda MX-5 Miata Grand-Touring Model with 3,759 miles that can only be sold and/or traded-in for a substantial discount.

N.A.D.A. Bookout Evaluation for a 2013 Mazda MX-5 Miata Grand-Touring Model with Certified Pre-Owned status as of October 2015 (see Exhibit G) with mileage of 5001 to 10,000 on the odometer reflects an actual Retail Value of \$27,400.00. N.A.D.A. Certified Pre-Owned Retail Value of \$27,400.00 does not take into consideration re-painted, wrecked and/or repaired collision damage or BAD CARFAX. Reporting. As outlined above it should be noted any Repaired Collision Damage and/or irregularities in the CarFax Report will come into play if not prohibit the Mazda Certified Pre-Owned Certification, thus impacting the Fair Market Value.

Kelley Blue Book reflects a Non-Certified 2013 Mazda MX-5 Miata Grand-Touring as of November 17, 2015, as having a Suggested Retail Value (see Exhibit H1, Reasonable Market Value) of \$23,932.00. Kelley Blue Book Certified Pre-Owned Retail Value (see Exhibit H2, Suggested Retail Breakdown) as of November 17, 2015, reflects a Fair Market Range of between \$23,277.00 and \$25,386.00. Kelley Blue Book Market Computations does not take into consideration re-painted, wrecked and/or repaired collision damage or BAD CARFAX. Reporting. As outlined above it should be noted any Repaired Collision Damage and/or irregularities in the CarFax Report will come into play if not prohibit the Mazda Certified Pre-Owned Certification, thus impacting the Fair Market Value.

Autotrader Currently (November 2015) has three (3) One-Owner 2013 Mazda MX-5 Miata Grand-Touring Models (see Exhibit I) with Mazda Certified Pre-Owned Certification listed For Sale in The United States with a ONE-OWNER CLEAN CARFAX REPORT (prior to the wreck this is, in fact, the exact stellar reporting the One-Owner 2013 Mazda MX-5 Miata Grand-Touring Model the subject of this analysis would have reflected) and actual mileage of 8,681, 9,006 and 11,257 miles. Autotrader, also, has one (1) Four-Owner 2013 Mazda MX-5 Grand-Touring Model with Mazda Certified Pre-Owned Certification and a CLEAN CARFAX REPORT and actual mileage of 12,003. All four (4) of 2013 Mazda MX-5 Miata Grand-Touring Models listed For Sale (see Exhibit I, Autotrader Clean CarFax Report Certified Pre-Owned Market Comparables) with Autotrader in The United States have a Mazda Certified Pre-Owned

Certificate and a CLEAN CARFAX REPORT, and each has the exact equipment and options as the One-Owner 2013 Mazda MX-5 Miata Grand-Touring Model that is the subject of this analysis.

AUTOTRADER COMPARABLE I1: Comparable I1 is a Four-Previous Owners 2013 Mazda MX-5 Miata Grand-Touring with Mazda Certified Pre-Owned Certification Exact Match I4 Listing Dealer is Jim Ellis Mazda (see Exhibit I1A) in Marietta, Georgia. Jim Ellis Mazda has the One-Owner 2013 Mazda MX-5 Miata Grand-Touring Listed For Sale at \$24,588.00 with 12,003 actual miles. NADA Certified Pre-Owned Retail Value (see Exhibit I1B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$25,900.00. CarFax reports (see Exhibit I1C) the Four Previous-Owners 2013 Mazda MX-5 Miata Grand-Touring with a GREEN CHECK... No Accident/Damage is Reported, 1 Owner, with 9 Service Records and 0 Open Recalls, Worth \$5000.00 More Than Retail Book Value. CarFax Adjusted Retail Value is \$26,400.00. Comparable I1, Vehicle Identification Number:JM1NC2PF3D0228096 Mileage: 12,003

AUTOTRADER COMPARABLE I2: Comparable I2 is a One-Owner 2013 Mazda MX-5 Miata Grand-Touring with a Mazda Certified Pre-Owned Certification. Exact Match I1 Listing Dealer is South Tacoma Mazda (see Exhibit, I2A) in Tacoma, Washington. South Tacoma Mazda has the One-Owner 2013 Mazda MX-5 Miata Grand-Touring Listed For Sale at \$26,987.00 with 8,681 actual miles. NADA Certified Pre-Owned Retail Value (see Exhibit, I2B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$26,350.00. CarFax reports (see Exhibit, I2C) the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with a GREEN CHECK... No Accident/Damage Reported, 1 Owner, with 6 Service Records Available and 0 Open Recalls, Worth \$530.00 More Than Retail Book Value. CarFax Adjusted Retail Value is \$26,880.00. Comparable I2, Vehicle Identification Number: JM1NC2PF9D0230502 Mileage: 8,681

AUTOTRADER COMPARABLE I3: Comparable I3 is a One-Owner 2013 Mazda MX-5 Miata Grand-Touring with Mazda Certified Pre-Owned Certification Exact Match I3 Listing Dealer is Brighton Honda (see Exhibit I3A) in Brighton, Michigan. Brighton Honda has the One-Owner 2013 Mazda MX-5 Miata Grand-Touring Listed For Sale at \$24,995.00 with 11,257 actual miles. NADA Certified Pre-Owned Retail Value (see Exhibit I3B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$25,900.00. CarFax reports (see Exhibit I3C) the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with a GREEN CHECK... No Accident/Damage is Reported, 1 Owner, with 5 Service Records and 0 Open Recalls, Worth \$370.00 More Than Retail Book Value. CarFax Adjusted Retail Value is \$26,270.00. Comparable I3, Vehicle Identification Number:JM1NC2PF9D0227695 Mileage: 11,257

AUTOTRADER COMPARABLE I4: Comparable I4 is a One-Owner 2013 Mazda MX-5 Miata Grand-Touring with Mazda Certified Pre-Owned Certification Exact Match I2 Listing Dealer is Huntington Beach Mazda (see Exhibit I4A) in Huntington Beach, California. Huntington Beach Mazda has the One-Owner 2013 Mazda MX-5 Miata Grand-Touring Listed For Sale at \$24,990.00 with 9,006 actual miles. NADA Certified Pre-Owned Retail Value (see Exhibit I4B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$26,350.00. CarFax reports (see Exhibit I4C) the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with a GREEN CHECK...No Accident/Damage Reported, 1 Owner, with 2 Service Records and 0 Open

Recalls, Worth \$320.00 More Than Retail Book Value. CarFax Adjusted Retail Value is \$26,670.00.

Comparable I4, Vehicle Identification Number:JM1NC2PF2D0227456 Mileage: 9,006

Vehicle Value Experts thru their Data Base has located three (3) exact match One-Owner 2013 Mazda MX-5 Miata Grand-Touring Models (see Exhibit J, All of Texas Factual Sales One-Owner 2013 Mazda MX-5 Miata Grand-Touring Models with Clean CarFax Report) with Clean CarFax Reports and mileage between 2,471 and 9,112 that sold between June and September of 2015 in Texas.

VEHICLE VALUE EXPERTS COMPARABLE J1: Exact Match J1 (see Exhibit J1A, Texas Department of Motor Vehicle Redacted Sales Tax Receipt) had 2,471 miles and sold by CarMax in San Antonio, Texas on June 6, 2015, for \$23,998.00. NADA Certified Pre-Owned Retail Value (see Exhibit J1B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$26,850.00. CarFax reports (see Exhibit J1C) the Two-Owner 2013 Mazda MX-5 Miata Grand-Touring with a GREEN CHECK... No Accident/Damage is Reported, 2 Previous Owners, with 4 Service Records and 0 Open Recalls, Worth \$340.00 Below Retail Book Value. CarFax Adjusted Retail Value is \$26,850.00.

Comparable J1, Vehicle Identification Number: JM1NC2PF0D0230792 Mileage: 2,471

VEHICLE VALUE EXPERTS COMPARABLE J2: Exact Match J2 (see Exhibit J2A, Texas Department of Motor Vehicle Redacted Sales Tax Receipt) had 7.653 miles and sold by AutoNation in Fort Worth, Texas on July 31, 2015, for \$23,990.00. NADA Certified Pre-Owned Retail Value (see Exhibit J2B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$26,350.00. CarFax reports (see Exhibit J2C) the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with a GREEN CHECK... No Accident/Damage is Reported, 1 Owner, with 7 Service Records and 0 Open Recalls, Worth \$530.00 Above Retail Book Value. CarFax Adjusted Retail Value is \$26,880.00.

Comparable J2, Vehicle Identification Number: JM1NC2PF7D0231096 Mileage: 7,653

VEHICLE VALUE EXPERTS COMPARABLE J3: Exact Match J3 (see Exhibit J3A, Texas Department of Motor Vehicle Redacted Sales Tax Receipt) had 9,112 miles and sold by An Individual in Austin, Texas on August 14, 2015, for \$24,599.00. NADA Certified Pre-Owned Retail Value (see Exhibit J3B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$26,350.00. CarFax reports (see Exhibit J3C) the Two-Owner 2013 Mazda MX-5 Miata Grand-Touring with a GREEN CHECK... No Accident/Damage is Reported, 2 Previous Owners, with 3 Service Records and 0 Open Recalls, Worth \$340.00 Above Retail Book Value. CarFax Adjusted Retail Value is \$26,690.00.

Comparable J3, Vehicle Identification Number: JM1NC2PF0D0229755 Mileage: 9,112

Taking into account the above referenced supporting documents, actual documented sales of 2013 Mazda MX-5 Miata Grand-Touring Models in Texas between June and September of 2015, limited number of 2013 Mazda MX-5 Miata Grand-Touring with Mazda Certified Pre-Owned Certification currently available (October-November 2015) For Sale in the United States with Clean CarFax Reports and setting aside the fact that the above referenced One-Owner 2013 Mazda MX-5 Miata Grand-Touring now has repaired frame damage, repaired collision damage

and paint refinishing, and if it were, in fact, a One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles with a One-Owner Clean CarFax Report and No Repaired Frame Damage or Repaired Collision Damage and No Paint Refinishing to the above references One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles. Vehicle Value Experts is of the professional opinion (see Exhibit Q, Vehicle Value Experts Pre-Wreck Certified Appraisal) the November 2015 Fair Market Retail Value would have been \$25,995.00.

Date of Loss was June 5, 2015.

Autotrader Currently (November 2015) has One (1) One-Owner 2013 Mazda MX-5 Miata Grand-Touring Model (see Exhibit K) listed For Sale in the United States with a BAD CARFAX REPORT and actual mileage of 16,381 miles.

AUTOTRADER COMPARABLE K1: One-Owner 2013 Mazda MX-5 Miata Grand-Touring Exact Match K1 Listing Dealer is Casey Jackson Ford (see Exhibit K1A) in Royston, Georgia. Casey Jackson Ford has the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with a BAD CARFAX REPORT listed For Sale at \$22,500.00 with 16,381 actual miles. NADA Pre-Owned Retail Value (see Exhibit K1B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$23,495.00. N.A.D.A. Pre-Owned Retail Value of \$24,450.00 does not take into consideration the One-Owner 2013 Mazda MX-5 Miata Grand-Touring has been wrecked and subsequently has a BAD CARFAX. CarFax reports (see Exhibit K1C) the One-Owner 2013 Mazda MX-5 Miata Grand-Touring as a Minor Damage Reported, 1 Owner, with 4 Service Records and 0 Open Recalls, Worth \$70.00 Above Retail Book Value. CarFax Adjusted Retail Value is \$24,520.00. CarFax Adjusted Retail Value of \$24,520.00 does not take into consideration wrecked and/or collision damage.

Comparable K1, Vehicle Identification Number:JM1NC2PF1D0227710 Mileage:16,381

Vehicle Value Experts thru their Data Base has located One (1) exact match One-Owner 2013 Mazda MX-5 Miata Grand-Touring Model (see Exhibit L, All of Texas Factual Sales One-Owner 2013 Mazda MX-5 Miata Grand-Touring with Bad CarFax Report) with a Bad CarFax Report and mileage of 9,399 that sold between June and September of 2015 in Texas.

VEHICLE VALUE EXPERTS COMPARABLE L1: Exact Match L1 (see Exhibit L1A, Texas Department of Motor Vehicle Redacted Sales Tax Receipt) had 9,399 miles and sold by Bayway Lincoln Mercury in Houston, Texas on June 18, 2015, for \$21,329.00. NADA Certified Pre-Owned Retail Value (see Exhibit L1B) for the 2013 Mazda MX-5 Miata Grand-Touring Model is \$25,325.00. N.A.D.A. Pre-Owned Retail Value of \$25,325.00 does not take into consideration the One-Owner 2013 Mazda MX-5 Miata Grand-Touring has been wrecked and subsequently has a BAD CARFAX. CarFax reports (see Exhibit L1C) the Three Previous-Owners 2013 Mazda MX-5 Miata Grand-Touring with an ACCIDENT/DAMAGE REPORTED... No Accident/Damage is Reported, 3 Previous Owners, with 4 Service Records and 0 Open Recalls, Worth \$540.00 Below Retail Book Value. CarFax Adjusted Retail Value is \$24,785.00. CarFax Adjusted Retail Value of \$24,785.00 does not take into consideration wrecked and/or collision damage.

Comparable L1, Vehicle Identification Number: JM1NC2PF3D0230043 Mileage: 9.399

Taking into account the above referenced supporting documents, actual documented sales of 2013 Mazda MX-5 Miata Grand-Touring Models in Texas between June and September of 2015 and a limited number of 2013 Mazda MX-5 Miata Grand-Touring with Bad CarFax Reports currently available (October-November 2015) For Sale in the United States. Vehicle Value Experts professional opinion (see Exhibit R, Vehicle Value Experts Post-Wreck Certified Appraisal) the November 2015 Fair Market Retail Value of the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles and repaired collision damage has a Post-Wreck Fair Market Value of \$21,995.00.

Date of Loss was June 5, 2015.

On Saturday, October 31, 2015, Mrs. Wetzel picked up her One-Owner 2013 Mazda MX-5 Miata Grand-Touring after being repaired by El Dorado Chevrolet Chrysler Jeep Mazda Collision Repair Shop. Exhibit M1 is a copy of the Collision Repair Invoice Number 40350-TB848 listing in detail the Body Labor; Paint Labor; Mechanical Labor, Paint Supplies, and Parts of \$8,011.02 all used to restore the collision damaged Miata. Exhibit M2, is the Final Invoice Customer Number 454811, Invoice Number 40350 of \$8,011.02. Exhibit M3 is a copy of the Granite State Insurance Company Check Number 1112006 of \$8,011.02 to pay in full the El Dorado Chevrolet Chrysler Jeep Mazda Collision Repair Shop Repair Invoice Number 40350-TB848 and Final Invoice Customer Number 454811, Invoice Number 40350 of \$8,011.02.

Date of Loss was June 5, 2015.

Exhibit N, are photos of the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles that are the subject of this analysis before the collision damage occurred.

Exhibit O, are photos of the wrecked and/or collision damaged One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles that are the subject of this analysis.

Exhibit P, are photos of the wrecked and/or collision damaged One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 that is the subject of this analysis after the collision repair by El Dorado Chevrolet Chrysler Jeep Mazda Collision Repair Shop.

CONCLUSION:

As factually documented above, despite today's National, State and Local Government mandate of the reporting of negative motor vehicle information, daily changing technology and transparency in the data reporting and archiving of motor vehicle accidents; wrecks; collision damage, flood-related events; maintenance recordings; mechanical repair records; state inspection records and license records, no doubt items related to the vehicle's mechanical and structural history slip through the cracks, thus harming innocent prospective buyers of pre-owned motor vehicles, dealers, lenders, auctions and insurance companies, costing the likes of such buyers, sellers, lenders and insurance companies thousands of dollars per occurrence. Vehicle Value Experts several times a month is called and subsequently hired to construct an Inherent Diminished Value Analysis on a motor vehicle that was purchased by an unsuspecting consumer from an unscrupulous individual and/or dealer who did not disclose the repaired collision damage and/or catastrophic mechanical repair at the point of sale. It should be noted Inherent

Diminished Value exist rather reported to CarFax or not. The documented fact that a motor vehicle has had collision repair paint and/or frame repair and/or catastrophic event that has altered the Original Equipment Manufacturers (OEM) condition of the vehicle constitute Inherent Diminished Value as such.

Regardless of the A+ quality/craftsmanship of the collision repair and with the collision repairs being performed to the best of one's human ability, the inherent market value as such of a collision repaired vehicle will always be decreased by an economic percentage from an Original Equipment Manufacturer (OEM) Model with No Collision Repair, because of the apparent deep-rooted stigma in society attached and/or related to a wrecked and repaired vehicle. [Emphases added]

After reviewing all of the Supporting Documents in reference to The Inherent Diminished Value on the above referenced Repaired Collision Damage One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles, it is our Professional Opinion the Correct Pre-Wreck Fair Market Retail Value (see Exhibit Q, Vehicle Value Experts Pre-Wreck Certified Appraisal) of the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles in question at June of 2015 and a **ONE-OWNER, CLEAN CARFAX AND/OR NO REPAIRED COLLISION DAMAGE** with the options as listed had a Fair Market Value of \$25,995.00.

After reviewing all of the Supporting Documents in reference to The Inherent Diminished Value on the above referenced One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles, it is our Professional Assessment the Post-Wreck Actual Fair Market Retail Value (see Exhibit R, Vehicle Value Experts Post-Wreck Certified Appraisal) of the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles after the collision repairs and listed with a **One-OWNER, CLEAN CARFAX, WITH REPAIRED COLLISION DAMAGE** with the options as listed is in fact Valued at a Fair Market Value of \$21,995.00.

In closing at the end of the analysis of the above referenced One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles Model and taking into account the actual mileage; date of purchase; date of accident; service records; condition of vehicle; all added options; Manufacturer Certified Pre-Owned Eligibility issues, concerns and/or questions; Use of O.E.M. Replacement Parts; Quality/Workmanship (A+, repairs were performed to the best of one's human ability) of El Dorado Collision Center.; like comparable vehicles available in the Market Place For Sale with Good CarFax Reports and Bad CARFAX Reports., and Comparable Vehicles in the Texas that were sold between June and September of 2015 with Good CarFax Reports and Bad CarFax Reports. It is our Professional Opinion the Inherent Diminished Value Compensation equated to a 16% Deviation in June 2015 (see Exhibit Q, Vehicle Value Experts Pre-Wreck Certified Appraisal) Pre-Wreck Fair Market Retail Value of \$25,995.00 before the point of impact. Thus the Post-Wreck Adjusted Fair Market Retail Value (see Exhibit R, Vehicle Value Experts Post-Wreck Certified Appraisal) of the One-Owner 2013 Mazda MX-5 Miata Grand-Touring with 3,759 miles ($\$25,995.00 \times 16\% = \$4,159.20$, $\$25,995.00 - \$4,159.20 = \$21,835.80$) after the \$8,011.02 Collision Repair (see Exhibit M, El Dorado Chevrolet Chrysler Jeep Mazda Collision Repair Shop Invoice Number 40350 in the amount of \$8,011.02.) that is the Subject of this Study in our Professional Opinion has a Fair Market Value of \$21,995.00.

Sincerely, Robert L. McDorman