

EXHIBIT 3

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APPRAISAL CONSULTATION AND ADJUSTING**

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**APPRAISAL REPORT SECTION 1.
VEHICLE AND CONDITION DETAILS**

<i>File No.:</i> 120712-1	<i>Client Name</i> David Bates , Jill Jubeck
<i>Date of Inspection :</i> 12-7-2012	<i>Time of Appraisal:</i> 11:00 a.m.
<i>Weather Conditions:</i> N.A.	<i>Documents Reviewed:</i> I have reviewed supplied purchase documents and all documents attached as support documents for this case.

P.J.G. Consulting and Appraisal**Appraisal Report Section 1 File # 120712-1 Page 2.****VEHICLE SPECIFICATIONS**

<i>Year of Vehicle:</i> 2004	<i>Make/Model:</i> Mercedes Benz SL 600 AMG V 12 Roadster
<i>VIN:</i> WDBSK76F54F061045	<i>Mileage:</i> Approximated at 30,000 miles
<i>Engine Specifications:</i> 6.0 Liter V 12 Bi-Turbo	<i>Other Specifications:</i> Keyless go/start, automatic, full power leather seating, convertible, Navigation.
<i>Condition of Vehicle/Comparison Category based on sale price :</i> Excellent	<i>Fluid Levels:</i> NA

P.J.G. Consulting and Appraisal and/or Phil Grismer attest to having no financial interest in this vehicle beyond the inspection fee.

Complaint Issues : Vehicle unmerchantable at time of sale. Vehicle unsafe to operate on public roadways. Inaccurate and misleading advertising. Bait and switch sales tactic. History of dealer misrepresentations.

PhiJo Enterprises Inc. DBA
P.J.G Consulting and Appraisal Section 2.
File #120712-1

Appraisal Opinion Report Prepared For: David Bates/ Jill Jubeck 3700 East Elm Road Oak Creek Wisconsin 53154 :

The vehicle has not been physically inspected at the time of this writing.

The vehicle is drastically diminished in value from the comparison category due to the following historic conditions.

The provenance and history supplied, consists of purchase documents, vehicle owner's statement of the chain of events, complaint document, web based dealer advertisement, service repair order documents, title history, purchase documents for re-negotiated price, purchase documents for wholesale sale to dealer, retail purchase document to subsequent buyer/current owner, excerpt from Parin Shah deposition.

Provenance: The vehicle was agreed to be purchased on or about 3-19-2012 at 23,144 miles. The vehicle was sold for \$42,024.61 excluding taxes, add on protector package, license and title etc. placing it in the Excellent Vehicle category for valuation purposes. MSRP \$126,250.00 when new.

Summary of History Reviewed:

Bill of Sale listing the purchaser as David Bates.

The bill of sale and reviewed purchase documents do not show any disclosure to the vehicle purchaser that the vehicle was sub-standard in any way. There is no signed and accepted statement by the vehicle purchaser from the authorized selling dealer informing the vehicle owner that the vehicle was sub standard at the time of retail sale as an excellent vehicle.

On Line Advertisement.

The online advertisement that David Bates & Jill Jubeck responded to and relied upon, was reviewed.

The print out of the on line advertisement shows that the vehicle was advertised as an SL600 Bi-Turbo V 12 AMG roadster. The internet price was listed as \$44,800.00 placing the vehicle in the excellent vehicle category based on the price range listed.

Service Invoice # 533289 from Mercedes Benz of Chicago.

The vehicle was serviced under the ownership of George Giannoulis on 12 -7 through 10-2009 at 22,013 through 22,015 miles. The 3 page repair order shows that considerable electrical work, suspension and differential seal replacement work at a cost to true of \$4,333.70. One of the complaints listed is that several warning instrument cluster warning lights were intermittently illuminated. This condition was not verified and was surmised to have been caused by a failed and replaced vehicle battery.

A check from Chicago Motor Cars to George Giannoulis was reviewed. The check # 030450 dated 4-10-2012 for \$34,000.00 was made payable to the order of George & Cari Giannoulis.

Vehicle Title Assigned to Dealer.

A reviewed copy of the original used vehicle title dated 4-28-2008 with 21,835 miles recorded was reviewed. The title was handwritten assigned to Chicago Motor Cars and was signed as sold by George Giannoulis, of the infamous and failed Broadway Bank. The title shows that the vehicle was purchased used on 12-14-2007 and title was issued on 4-28-2008 at 21,835 miles. This indicates that the vehicle was operated and accumulated mileage of only 180 miles in 18 months between title issue and repair date.

On 3-18-2012 the title was assigned to Chicago Motor Cars at 23,143 miles. This shows that the vehicle travelled only 1,128 miles, from repair date of 12-10-2009 to title transfer to dealer, on 3-18-2012, of approximately 18 months. Despite this incredibly low mileage accumulation, the vehicle needed \$4,333.70 in cost to true repair work. This is a near impossibility, in my opinion and therefore makes the odometer reading displayed; very suspicious. Current average mileage reviewed for advertised comparable vehicles available on the internet is approximately 60,000 miles.

The mileage was recorded on the listed date of sale, as 23,143 miles on 3-18-2012. The signature of the buyer agent is illegible but Chicago Motor Cars is the listed dealer transferee, on the title assignment section.

Invoice # 215639 from Mercedes Benz of Naperville

The service order written on 3-28 through 30-2012 at 23,191 miles was reviewed. The vehicle was presented with Chicago Motor Cars listed as the presenting customer. The vehicle was presented to order and replace a keyless Go remote control. Line "A" states provide customer with new remote key. The price charged for the key shows that the list price was \$270.00. The Net or trade discount price charged for the key was a discounted \$216.00 indicating that the key assembly remote was purchased by a vehicle dealership, not an individual.

Line "B" states, Customer has declined a Multi-Point inspection at this time.

Line "C" states, 1/32 nd of an inch of tire tread depth remaining. The legal wear limit is 3/32nds. At 1/32nds the tires are completely bald to the tire carcass.

This measurement indicates that the tires were completely bald and unsafe to operate on. It also indicates that the vehicle other than the observed tire condition and diagnosed defects, was not given the benefit of a visual safety inspection because the customer, Chicago Motor Cars declined this valuable service.

Reviewed Chain of Events.

Being from Oak Creek, Wisconsin and purchasing a vehicle in Illinois, Bates paid the requested deposit by phone transaction and made arrangements to settle for the vehicle price and pick up the vehicle the following day.

The vehicle was sold to David Bates and Jill Jubeck. A credit card processing statement shows that a \$500.00 deposit was paid by David Bates, by Master card, to hold the vehicle on 3-19-2012 at 5:45:42 by Chicago Motor Cars West Chicago, Illinois.

The chain of events, shows that the vehicle was purchased and in the process of being paid for and upon inspecting the vehicle, it was found to have been damaged, with yellow paint transfer onto the front bumper. As a result, the vehicle was left at the dealership and the dealer was told that the deal was cancelled. Bates and Jubeck left the dealership without the vehicle.

A phone call while in transit back to Wisconsin was received from Parin Shah of Chicago Motor Cars. He assured Bates that the vehicle would be corrected and the missing key fob assembly would be replaced and the vehicle would be delivered to their residence. An agreement was made on or about 3-19 to 3-20-2012 by phone with personal assurances from Parin Shah to Bates that the vehicle would be corrected, per David Bates.

The vehicle was flat bed delivered on or about 3-28-2012 to the Bates/Jubeck residence. A photograph of the vehicle loaded on a car hauler, showing it was being delivered at the residence was reviewed.

On or about 4-1-2012 Bates and Jubeck discovered they had purchased a different vehicle than what was advertised. The vehicle was not an AMG, it was missing the second key remote and the convertible top did not retract under power, using the remote keyless go fob assembly.

E mail correspondence review.

On 4-2-2012 at 1:42 p.m. Mark Foster of the Chicago Motor Car finance department sent an e mail to Bates stating that the dealership had managed to deliver the vehicle with several pieces of the paperwork missing. He requested that an arbitration agreement, Protector form, buyer's guide form, and insurance agreement form as well as a copy of Jill Jubeck's driver's license, be signed

and returned. It further stated that the purchase price was hand written modified by Jill Jubeck, by crossing out the disputed \$299.00 for the unwanted Protector package.

On 4-2-2012 at 2:43 p.m. Parin Shah of Chicago Motor Cars sent an email to Bates with a copy sent to Mark Foster of the Chicago Motor Car Finance department, stating that he apologized for the mistakes and communication errors. "At this time I feel the deal is voided. It appears you do not want this car correct me if I am wrong." I will have somebody bring you a cashier's check for \$14,500.00 down payment and pick up the vehicle. He further stated that he had spent \$2,000.00 to repair the vehicle and \$300.00 to flatbed the vehicle and would not lower the vehicle price below the \$42,500.00 plus tax and license.

The sales documents reviewed, show a listed cost of \$299.00 for a Protector package that had apparently been added to the vehicle prior to sale, per the dealer and therefore in the dealers opinion was part of the vehicle cost.

In Jubeck's opinion, the Protector package was an unauthorized add on to the vehicle and she had scratched it out on the second bill of sale, when the vehicle was flatbed delivered to the residence. So, as of the day of the second delivery there was still a financial dispute with the deal.

On 4-3-2012 at 9:39 a.m. Bates sent an email to Mark Foster, Parin Shah, Christina Sheridan and Mike Simon. The email states that they were welcome to contact Jill Jubeck at work, and that this would be considered harassment by them. That the price of the vehicle was over rated and that in Bates' opinion, the value of the vehicle was agreeable at \$37,500.00 based on the defects and misrepresentations that had been made of the vehicle. Additionally Bates stated that he had contacted the Protector company and was informed that the protector package was never applied to the vehicle and the forms had not been submitted to start the warranty coverage. Additionally Chicago Motor Cars still had not supplied the agreed to second key remote unit.

On 4-3-2012 at 4:55 p.m. Mark Foster sent an email to Bates stating that Chase just called, just an update.

On 4-4-2012 at 12:22 p.m. Bates sent an email to Mark Foster stating that he understood the dealership still did not have possession of the vehicle title and was requesting an explanation.

Invoice # 15018070.

As a result of the tire condition, Bates presented the vehicle for service at Farm and Fleet Tire center in Franklin, Wisconsin on 5-11-2012 at 25,220 miles. Invoice #15018070 shows that Bates paid \$1,555.69 to replace all 4 tires. The repair order shows a technician notation warning that the left front wheel was cracked on the inside lip extending into the barrel approximately 1 3/4 inches in length. The repair order states that the customer had been advised and intended to replace the wheel, that was not readily available. Additionally a defect code was displayed on the message screen that the shop could not reset.

A digital photo of the cracked rim was reviewed. The rim crack is through the inner lip seal bead area and has been present based on road grime accumulation in the crack and surrounding area, for approximately 6 months. The crack is sufficiently high enough to retain air pressure. The crack is consistent with pothole damage

Per the chain of events, the vehicle was presented to D and L auto body for inspection of the left rear body area on or about 4-10-2012. I contacted Dave of D and L Auto Body in Wisconsin, by phone on 1-11-2013 at 4:00 p.m. when asked, Dave stated that he recalled inspecting the vehicle and noticing that the trunk lid and rear bumper alignment was not correct. Further inspection by Dave revealed that the inside of the trunk had evidence of repair and repainting. Visible masking tape lines and paint overspray were present. In his opinion the quality of the repair work was not acceptable for this caliber of vehicle. He estimated that it would cost an additional \$1,000.00 to correct the observed conditions; as a cost to true.

An unsigned, undated agreement document between Jill Jubeck and Chicago Motor Cars was reviewed. The document shows that the agreement allowed for a renegotiated price of \$37,500.00 to be paid out to Jill Jubeck. All payments were to be in Certified Funds.

The document reviewed was not executed.

This transaction was not concluded. The vehicle was returned to Chicago Motor Cars.

Wholesale bill of sale .

A review of the Bill of sale between Chicago Motor Cars and Oak Lawn Mazda was reviewed. The bill of sale shows that the sale date was 9-13-2012 at 23,144 miles. The document is unsigned and shows that the vehicle was sold from Chicago Motor Cars to Oak Lawn Mazda for \$35,000.00 with a stock number of P2094.

Retail sale to Current Vehicle Owner, Deal # 9371.

A review of Retail Bill of Sale from Oak Lawn Mazda to Victor Daniels of Dolton Illinois was performed. The vehicle was sold with 29,667 miles listed on 9-27-2012. Without investigation or disclosure of the suspicious odometer situation, or the overall condition of the vehicle; the vehicle was sold at retail for \$38,902.86. Mr. Daniels is the current owner of the vehicle at this time.

Conclusion Opinion of Reviewed History

This vehicle was advertised and sold as an AMG version of the SL roadster. It was not. This was an obvious bait and switch action on the part of the selling dealer. It is my opinion that they knew full well, that the vehicle had no AMG performance package present and in fact was not the proper designation if it was an AMG edition. An AMG edition would have the designation of SL55 on the left side of the trunk and AMG on the right side. The door threshold plates would

clearly state AMG embossed on the trim. The engine would be a V8 not a V12. The engine would have a plaque stating the uniqueness of the AMG engine and would be hand signed by the engine builder. The spoke cast alloy wheels would have a rectangular boss on the outer wheel lip area stating AMG.

The SL 600 has none of this.

A dealer, dealing in exotic high end vehicles would know this, in my opinion.

The SL 600 indicates that it is a 6.0 Liter V12 engine and in fact V12 badges are present on the front fenders of the subject vehicle. So the vehicle was advertised as an AMG edition because that would have more value, even though there was never a V12 AMG built for production. If in fact it was a 6.0/ Plus liter engine, as an AMG version, the vehicle would be newer than 2009 and would be badged an SL 63 with AMG badging on the door thresholds, the trunk right side and a V 8 engine with 7 speed transmission would be used.

Therefore a bait and switch con gag was perpetrated on the unsuspecting vehicle buyer, in my opinion.

It is illegal for any dealership authorized to deal in motor vehicles in the state of Illinois, to sell or cause to be used on public roadways, a vehicle with tires worn past 3/32 nds of an inch. This law has existed in Illinois since 1973.

Comparable AMG vehicle.

A comparable Mercedes Benz SL 55 AMG vehicle was located at Fidelity Motor Group in Lake Barrington, Illinois, and inspected on 12-20-2012. The physical inspection of this comparable 2005 vehicle again shows the proper name badging and the fact that the engine is a V8. This vehicle is listed at \$44,441.00.

Review of Web Blog information and Video Clips from David Bates.

The web site complaint web blog comments, describing the author David Bates' experience with Chicago Motor Cars of West Chicago as well as video clips showing considerable electrical defects present in the vehicle; were reviewed. Additionally the web site ripoffreports.com was visited and a complaint was listed there also by David Bates against Chicago Motor Cars. The site allows a rebuttal from Chicago Motor Cars, and none is listed nor was one reviewed.

The video clip shows an instrument panel, driver information pod unit that is erratic and intermittently goes blank and then flashes back on while the vehicle is driving. In my opinion this condition is consistent with an electrical short in the cluster wiring harness, or internally to the cluster printed circuit panels. It has been suggested that this is due to the vehicle driver turning off the key and turning it back on. This makes no sense since the vehicle speed appears to remain fairly consistent and the engine tachometer and speedometer intermittently are re-displayed and

counting revolutions per minute as well as speed. Additionally, this cannot be done with the vehicle in drive, and the gear indicator is clearly illuminated in the speedometer head, as "D". It is also clear in the video that the workshop warning indicator is displayed and that the battery light does not re illuminate, inconsistent with the engine being turned off and back on. It is my opinion that both the convertible top and the instrument cluster are erratic and further diagnosis to determine the exact cause is required.

Inspection Observations.

As of the time of this report authoring, the vehicle owner has been contacted several times by phone. The vehicle has not been physically inspected due to the fact that the vehicle is stored for the winter season in Dolton Illinois. Currently, access to the vehicle is not possible.

Safety Recall Involvement Review.

Additionally this vehicle year, make and model, is not listed as involved in Safety Recall Campaigns per the National Highway Transportation Safety Agency.

This data is supplied for information purposes only and may not apply to this specific vehicle. However, involvement of a vehicle in a Safety Recall Campaign is a direct indication of manufacturing defects present in the specific vehicle.

Author's Opinion of Merchantability of Vehicle.

It is my opinion that this vehicle was defective and unmerchantable at the time of retail sale, on or about 3-19-2010. This is evidenced by and resulting in, the accumulated history reviewed, as well as the ongoing unacceptable conditions present at the time of sale, the bald tires, cracked wheel rim, inoperable convertible top, prior body damage and repair and erratic instrument cluster, as well as the fact that the vehicle was not an AMG. It is my opinion that the average purchaser, having been fully informed and considering this make and model for purchase, would reject this vehicle as a candidate for purchase based on its history and the ongoing abnormal conditions observed.

Required Further Diagnostics and/or Service

All of the abnormal conditions complained of require extensive invasive diagnostic and service repair operations that are beyond the scope of this inspection.

Author's Opinion of Value.

It is my opinion that the value of this vehicle is drastically diminished. The reviewed documents and review of the chain of events, as well as the web blog complaints and video clip reviewed, the vehicle was drastically diminished in value. The tires were bald, the left front wheel was

cracked, the convertible top feature was inoperative, the odometer display is very suspicious, an expensive second key was never supplied. The dash cluster becomes erratic and flashes on and off while driving, intermittently, consistent with an electrical short. This complaint is also consistent with a history complaint while owned by Giannoulas.

The vehicle was in my opinion unsafe to operate on public roadways and was unmerchantable at the time of sale. It is my opinion that the vehicle would not have passed without objection in the trade as it was sold. It is also my opinion that the vehicle was unfit for the purpose it was intended due to the unsafe tire and wheel condition present at the time of wholesale purchase and subsequent retail sale to David Bates /Jill Jubeck.

Having reviewed this vehicles accumulated history, deposition admissions of the selling dealer and video clip provided, suspicious odometer history, remote go keyless system inoperative, erratic electrical system, and body damage history, it is my opinion that the value of this vehicle was below ***the Original Purchase Price at time of Retail Sale***, by 50 percent. Sale Price \$42,024.61. ***Actual Value at time of Retail Sale/Purchase***, due to diminished value appraisal \$21,012.30.

Current Good Condition Comparison Vehicles Market Value.

The Current good valuation category per Black Book USA \$ 32,442.00 averaged between high and low retail. Current Good valuation Kelley Blue Book \$36,025.00 averaged between high and low retail. Average current valuation between both guides, \$ 34,233.00. Diminished value of **subject** vehicle in **its** current condition, \$13,692.00.

Methodology

I arrived at this number first by determining the vehicle's condition through my review of the purchase documents, then by determining the average values between high and low retail from the above-referenced standard valuation guides for a vehicle in the similar condition category, then determining the average between the guide values, then by determining the vehicle's true condition through my inspection and my review of the service history and other relevant documentation, then by expressing this condition by a percentage by which the vehicle's value was diminished due to its condition, then expressing this percentage as an actual dollar value, and then deducting it from the claimed value at the time of sale, thus arriving at the Diminished Value figure.

Appraisal Margin of Error.

This appraisal allows for a margin of error of 5 percent either way due to market fluctuations. Therefore, 45 Percent DV of \$42,024.61 equals \$23,113.53. 55 percent DV of \$42,024.61 equals \$18,911.07.

Availability of Comparison Replacement Vehicles and Effect on Value.

This make and model of vehicle is readily available in the automotive market place, without the serious defects present in this specific vehicle, and can be acquired without defects and meeting the Good condition criteria as defined by all published major valuation guides. This fact has the effect of drastically devaluing this vehicle.

USAAP Certification.

I hereby certify that I have no bias with respect to the vehicle that is the subject of this appraisal report, or to the parties involved with this assignment. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal report. My analysis, opinions and conclusions were developed and this appraisal report has been prepared; in conformity with the Uniform Standards for Automobile Appraisal Procedure.

Perjury Statement.

Under penalties as provided by law pursuant to section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this affidavit are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes to be true.

Phillip J. Grismer B.B.A.

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Member #

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