

Derivation of Fair Market Value

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

Valuation Approach	Exhibit	Weighting (1)	Derived Equity Values (2)
Market Approach:			
Adjusted Net Asset Value Method	Exhibit 2	50.0%	\$ 1,851,000
Market Approach:			
Guideline Transaction Method	Exhibit 3	10.0%	1,430,000
Publicly-traded Guideline Company Method	Exhibit 4	10.0%	1,270,000
Income Approach:			
Discounted Cash Flow (DCF) Method	Exhibit 5	30.0%	1,650,000
Capitalized Earnings Method	Exhibit 6	0.0%	1,150,000
Calculated Aggregate Value of Common Equity			\$ 1,691,000
<i>Number of Shares Outstanding (3)</i>			1,629
Fair Market Value Per Share (Controlling, Marketable)			\$ 1,038
<i>Discount for Lack of Control</i>		20.0%	(208)
Fair Market Value Per Share (Noncontrolling, Marketable)			830
<i>Discount for Lack of Marketability</i>		20.0%	(166)
Fair Market Value Per Share (Noncontrolling, Nonmarketable)			\$ 664

Footnotes:

- 1.) *Based on professional judgment.*
- 2.) *Figures may be off due to rounding.*
- 3.) *Provided by management.*

Bill's Auto World**Exhibit 2****Adjusted Net Asset Value (NAV)***In dollars (\$), unless indicated otherwise**As of: December 31, 2012*

	<u>Book Value (1)</u>	<u>+ / (-) Adjustments</u>	<u>Estimate of Market Values</u>
Assets			
Cash	\$ 617,130	\$ -	\$ 617,130
Accounts Receivable	474,622	-	474,622
Inventory	4,157,968	917,315	5,075,283 (2)
Property, Plant and Equipment, net	3,060,190	-	3,060,190
Intangible Assets, net	52,885	(52,885)	- (3)
Other Assets	231,391	-	231,391
Total Assets	\$ 8,594,186	\$ 864,430	\$ 9,458,616
Liabilities			
Accounts Payable	\$ 269,216	\$ -	\$ 269,216
Notes Payable - Current	1,592,422	-	1,592,422
Taxes Payable	37,953	-	37,953
Notes Payable - Stockholders	2,914,553	-	2,914,553
Capital Lease Obligation	2,728,861	-	2,728,861
Other Liabilities	14,518	50,000	64,518 (4)
Total Liabilities	\$ 7,557,523	\$ 50,000	\$ 7,607,523
Net Asset Value (Rounded)			\$ 1,851,000

Footnotes:

- 1.) *Book values provided by Management.*
- 2.) *Adjusted to account for the LIFO reserve net of taxes; FIFO inventory is a better indication of estimated fair market value.*
- 3.) *Based on discussion with Management.*
- 4.) *Estimated reserve for charge-back claims on outstanding finance contracts.*

Market Approach - Guideline Transaction Method

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

Transaction Name (1)	Date	Target MVIC	Latest Revenue	Latest		Revenue Multiple	EBITDA Multiple
				EBITDA	EBITDA Margin		
Automobile Sales, Service, Repair and Rental	4/15/2005	\$ 240,000	\$ 1,548,643	NA	NA	0.15x	NA
Auto Dealership	11/20/2007	1,250,000	6,665,780	NA	NA	0.19x	NA
New Truck Sales and Service	5/1/2008	5,089,200	16,000,000	1,038,200	6.5%	0.32x	4.9x
Used Auto Dealer	9/20/2007	190,000	2,429,728	69,745	2.9%	0.08x	2.7x
New and Used Automobile Brokerage	4/30/2008	300,000	4,356,000	60,000	1.4%	0.07x	5.0x
Auto Broker	2/29/2008	183,186	7,091,830	NA	NA	0.03x	NA
Chevrolet Buick GMC Dealership	<u>2/23/2011</u>	<u>2,442,801</u>	<u>6,183,423</u>	<u>48,634</u>	<u>0.8%</u>	<u>0.40x</u>	<u>50.2x</u>
High	2/23/2011	5,089,200	16,000,000	1,038,200	6.5%	0.40x	50.2x
Upper Quartile	4/30/2008	1,846,401	6,878,805	311,859	3.8%	0.25x	16.3x
Average	2/14/2008	1,385,027	6,325,058	304,145	2.9%	0.18x	15.7x
Median	2/29/2008	300,000	6,183,423	64,873	2.1%	0.15x	5.0x
Lower Quartile	10/20/2007	215,000	3,392,864	57,159	1.2%	0.07x	4.4x
Low	4/15/2005	183,186	1,548,643	48,634	0.8%	0.03x	2.7x
Coefficient of Variation		1.23	0.70	1.39	0.77	0.72	1.27
Selected						0.20x	6.5x

	Financial Metric	Multiple	Implied Value	Weighting	
				(2)	Weighted Value
Projected 2013 Revenue	\$ 18,070,182	0.20x	\$ 3,614,036	50.0%	\$ 1,807,018
Projected 2013 EBITDA	533,409	6.5x	3,467,157	50.0%	1,733,579
Derived Value of Total Invested Capital					\$ 3,540,597
(-) Capital Lease Obligation					(2,728,861)
+ Cash					617,130
Indicated Value of Equity, Controlling, Marketable (3)					\$ 1,430,000

Footnotes:

- 1.) Guideline transactions in the Company's industry which are considered comparable based on target profile, buyer profile, business operations and/or size.
- 2.) Based on professional judgment.
- 3.) Totals may be off due to rounding.

Market Approach - Publicly-traded Guideline Company Method

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

		In millions									
Company Name	Ticker	Market Cap (1)	Total Debt (2)	MVIC	Cash Adj.	Cash Adj. MVIC	Latest Revenue	Latest EBITDA	EBITDA Margin	Revenue Multiple	EBITDA Multiple
Asbury Automotive Group, Inc.	ABG	\$ 954.1	\$ 435.3	\$ 1,389.4	\$ 5.9	\$ 1,383.5	\$ 4,612.7	\$ 194.0	4.2%	0.30x	7.1x
AutoNation Inc.	AN	4,762.2	1,892.3	6,654.5	98.6	6,555.9	15,173.7	707.8	4.7%	0.43x	9.3x
Penske Automotive Group, Inc.	PAG	2,605.7	830.8	3,436.6	25.9	3,410.6	13,096.3	404.4	3.1%	0.26x	8.4x
Sonic Automotive Inc.	SAH	1,107.5	648.4	1,755.9	62.5	1,693.5	8,502.3	274.0	3.2%	0.20x	6.2x
Group 1 Automotive Inc.	GPI	1,291.0	621.5	1,912.5	38.8	1,873.7	7,163.1	265.2	3.7%	0.26x	7.1x
Lithia Motors Inc.	LAD	890.2	274.9	1,165.1	19.8	1,145.3	3,216.6	161.1	5.0%	0.36x	7.1x
High		4,762	1,892	6,655	99	6,556	15,174	707.8	5.0%	0.43x	9.3x
Upper Quartile		2,277	785	3,056	57	3,026	11,948	371.8	4.5%	0.34x	8.1x
Average		1,935	784	2,719	42	2,677	8,627	334.4	4.0%	0.30x	7.5x
Median		1,199	635	1,834	32	1,784	7,833	269.6	4.0%	0.28x	7.1x
Lower Quartile		992	482	1,481	21	1,461	5,250	211.8	3.3%	0.26x	7.1x
Low		890	275	1,165	6	1,145	3,217	161.1	3.1%	0.20x	6.2x
Coefficient of Variation		0.72	0.67	0.70	0.73	0.70	0.50	0.55	0.18	0.25x	0.13
Selected Raw Multiple (3)										0.20x	8.1x

	Financial Metric	Raw Multiple			Selected		Weighting (6)	Weighted Value
		(3)	Size Adj. (4)	Adjustment (5)	Multiple	Implied Value		
Projected 2013 Revenue	\$ 18,070,182	0.20x	NA	NA	0.20x	\$ 3,614,036	50.0%	\$ 1,807,018
Projected 2013 EBITDA	533,409	8.1x	6.10%	18.45%	5.4x	2,891,782	50.0%	1,445,891
Derived Value of Total Invested Capital (Noncontrolling, Marketable)								3,252,909
(-) Capital Lease Obligation								(2,728,861)
Value of Equity (Noncontrolling, Marketable)								524,048
+ Control Adjustment (7)								25.0%
Derived Equity Value (Controlling, Marketable) (8)								\$ 655,100
+ Cash								617,130
Indicated Value of Equity, (Controlling, Marketable) (8)								1,270,000

Footnotes:

- 1.) Includes preferred stock and minority interest, if applicable.
- 2.) Excludes floorplan financing.
- 3.) Based on the implied multiples of the publicly-traded guideline company range.
- 4.) As published in the Ibbotson S&P Valuation Yearbook.
- 5.) Size risk premium added to the inverse of the raw multiple, and converted back to a size-adjusted multiple.
- 6.) Based on professional judgment.
- 7.) Reflects a gross-up adjustment to calculate the implied controlling, marketable value prior to deriving the noncontrolling, marketable value (post control discount).
- 8.) Totals may be off due to rounding.

	Prospective Financial Information (1)					
	Dec13	Dec14	Dec15	Dec16	Dec17	Terminal Period
<i>Revenue Growth (1)</i>	7.0%	4.8%	3.2%	2.9%	3.6%	2.5%
Total Revenue	\$ 18,070,182	\$ 18,937,551	\$ 19,543,553	\$ 20,110,316	\$ 20,834,287	\$ 21,355,144
Total Cost of Goods Sold	15,666,848	16,418,857	16,944,260	17,435,644	18,063,327	18,514,910
Gross Profit	2,403,334	2,518,694	2,599,293	2,674,672	2,770,960	2,840,234
Gross Margin	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
Floorplan Interest (2)	113,193	118,626	129,624	133,383	153,538	157,377
Less: Interest Reimbursements	(84,895)	(88,970)	(97,218)	(100,037)	(115,154)	(118,033)
Other Operating Expenses (4)	1,841,627	1,906,084	1,953,736	2,002,580	2,052,644	2,103,960
EBITDA	533,409	582,954	613,150	638,747	679,931	696,930
EBITDA Margin	3.0%	3.1%	3.1%	3.2%	3.3%	3.3%
Depreciation (5)	212,862	227,662	237,342	243,750	250,268	184,989
EBIT	320,547	355,292	375,808	394,997	429,663	511,941
EBIT Margin	1.8%	1.9%	1.9%	2.0%	2.1%	2.4%
Taxes (6)	18.4%	(58,900)	(65,284)	(69,054)	(72,580)	(94,068)
Debt-Free Cash Flows Before Adjustments	261,647	290,007	306,754	322,417	350,713	417,872
DCF Margin	1.4%	1.5%	1.6%	1.6%	1.7%	2.0%
<u>Cash Flow Adjustments</u>						
+ Depreciation	212,862	227,662	237,342	243,750	250,268	94,068
(-) Capitalized Expenditures	(45,000)	(47,000)	(49,000)	(50,000)	(52,000)	(94,068)
+ / (-): Changes in Working Capital	7.5%	(88,662)	(65,053)	(45,450)	(42,507)	(39,064)
Residual Cash Flows (7)	340,847	405,617	449,646	473,659	494,684	3,713,617
Partial Period Factor	1.00	1.00	1.00	1.00	1.00	1.00
Discount Periods	0.50	1.50	2.50	3.50	4.50	4.50
Discount Factor (8)	12.7%	0.9420	0.8358	0.7416	0.6581	0.5839
Discounted Cash Flows	\$ 321,067	\$ 339,021	\$ 333,469	\$ 311,692	\$ 288,842	\$ 2,168,356
Aggregate Discounted Cash Flows	\$ 3,762,448	Terminal Year Calculation				
(-) Capital Lease Obligation	(2,728,861)	Debt Free Cash Flow				
+ Cash (9)	617,130	+ Depreciation				
Indicated Value (10)	\$ 1,650,000	(-) Capitalized Expenditures				
		+ / (-): Changes in Working Capital				
		Residual Cash Flows (7)				
		Discount Rate minus Growth Rate				
		Residual Cash Flow Terminal Year				
		<u><u>3,713,617</u></u>				

Footnotes:

- 1.) Based on historical company performance and industry outlook data.
- 2.) Based on 2012 floorplan interest rate and historical inventory turnover.
- 3.) Based on historical interest reimbursement levels.
- 4.) Based on historical company performance. Excludes rent expense due to new company financed building occupied in 2012.
- 5.) See Exhibit 9.
- 6.) See Exhibit 8.
- 7.) Terminal period residual cash flows are capitalized, per Gordon Growth methodology.
- 8.) Assumes midpoint convention, see Exhibit 7 for WACC.
- 9.) Current balance provided by Management.
- 10.) Totals may be off due to rounding.

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

	Normalized Historical Performance				Cap Earnings
	Dec09	Dec10	Dec11	Dec12	Dec12
Total Revenue	\$ 10,969,750	\$ 14,738,160	\$ 16,080,795	\$ 16,888,021	\$ 16,888,021
<i>Y-o-Y Growth</i>	-24.5%	34.4%	9.1%	5.0%	
Normalized EBITDA	227,794	228,623	290,852	437,481	437,481
<i>Normalized EBITDA Margin</i>	2.1%	1.6%	1.8%	2.6%	2.6%
Depreciation	2,925	51,863	5,496	975	975
EBIT	\$ 224,869	\$ 176,760	\$ 285,356	\$ 436,506	\$ 436,506
<i>EBIT Margin</i>	2.0%	1.2%	1.8%	2.6%	2.6%
S Corp Equivalent Taxes (See Exhibit 8)					18.4% (80,207)
Debt-Free Cash Flows Before Adjustments					\$ 356,299
<u>Cash Flow Adjustments</u>					
+ Depreciation					975
(-) Capitalized Expenditures					(975)
+ / (-): Changes in Working Capital (See Exhibit 10)					7.5% (31,665)
Residual Cash Flows					324,634
Long-term Growth Rate					2.5%
Net Cash Flow Available to Invested Capital					332,749
Capitalization Rate					10.2%
Estimate of Fair Market Value of Invested Capital					3,262,085
(-) Capital Lease Obligation					(2,728,861)
+ Cash (9)					617,130
+ Nonoperating Assets					-
Indicated Value (1)					\$ 1,150,000

Footnotes:

1.) Totals may be off due to rounding.

Capital Asset Pricing Model (CAPM) and Weighted Average Cost of Capital (WACC)

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

Company Name	Ticker	In millions			Debt to MVIC	Tax Rate	Raw Beta	Unlevered Beta
		Market Cap (1)	Total Debt (2)	MVIC				
Asbury Automotive Group, Inc.	ABG	\$ 954	\$ 435	\$ 1,389	31.3%	38.1%	1.21	0.94
AutoNation Inc.	AN	4,762	1,892	6,655	28.4%	38.4%	0.77	0.62
Penske Automotive Group, Inc.	PAG	2,606	831	3,437	24.2%	29.0%	1.06	0.86
Sonic Automotive Inc.	SAH	1,108	648	1,756	36.9%	38.4%	1.08	0.79
Group 1 Automotive Inc.	GPI	1,291	621	1,912	32.5%	37.6%	1.26	0.97
Lithia Motors Inc.	LAD	890	275	1,165	23.6%	37.5%	1.65	1.38
High		4,762	1,892	6,655	40.0%	38.4%	1.65	1.38
Average		1,935	784	2,719	31.0%	36.5%	1.17	0.93
Median		1,199	635	1,834	31.3%	37.9%	1.15	0.90
Low		890	275	1,165	23.6%	29.0%	0.77	0.62
Coefficient of Variation		0.72	0.67	0.70	0.18	0.09	0.23	0.25
Morningstar's Cost of Capital					58.8%			0.80
Selected					40.0%	18.4%		0.90

Cost of Equity

Risk-free Rate (3)	2.5%
Equity Risk Premium (4)	6.1%
Relevered Beta (5)	1.39
Beta Adjusted Equity Risk Premium	8.5%
Size Premium (6)	6.1%
Company Specific Risk Premium (7)	1.0%
Cost of Equity	18.2%

Cost of Debt

Cost of Borrowing (8)	5.5%
Tax Shield	18.4%
After-tax Cost of Debt	4.5%

Weighted Average Cost of Capital

Cost of Equity	18.2%
Weight of Equity	60.0%
Weighted Cost of Equity	10.9%
Cost of Debt	4.5%
Weight of Debt	40.0%
Weighted Cost of Debt	1.8%

WACC (Rounded)

12.7%

Long-Term Growth Rate (9)	2.5%
Capitalization Rate	10.2%

Footnotes:

- 1.) Includes preferred stock and minority interest, if applicable.
- 2.) Excludes floorplan financing.
- 3.) Based on constant maturity U.S. Treasury at or around the Valuation Date.
- 4.) Based on the equity risk premium, supply side, as published in the Ibbotson SBBi Valuation Yearbook.
- 5.) Relevered Beta = Unlevered Beta x (1+ (Debt to Equity Ratio x (1-Tax Rate))).
- 6.) As published in the Ibbotson SBBi Valuation Yearbook.
- 7.) Based on professional judgment. Reflects Company-specific risk, as well as risks associated with Bill's Auto World's prospective financial information.
- 8.) Based on Federal Reserve published Corporate Baa rate at or around the Valuation Date, includes risk premium.
- 9.) Based on Federal Reserve Livingston Survey.

Imputed Tax Rate (1)

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

	Imputed Tax Rate (1)		
	S Corp	C Corp	Imputed Tax Rate
Pre-tax Income	\$ 400,000	\$ 400,000	\$ 400,000
Corporate State Tax Rate	0.0%	5.0%	5.0%
Corporate Federal Tax Rate	0.0%	32.3%	13.4%
Corporate Tax Rate	0.0%	37.3%	18.4%
Available earnings	400,000	250,800	326,501
Individual State Tax Rate	7.0%	7.0%	7.0%
Individual Federal Tax Rate (2)	29.3%	15.0%	15.0%
Individual Tax Rate	36.3%	22.0%	22.0%
After tax distributions	\$ 254,700	\$ 195,600	\$ 254,700

Individual Tax Table			
State taxes		7%	28,000
Federal income tax base			
Low	High	Marginal Rate	Taxes Paid
\$ -	\$ 8,500	10%	850
\$ 8,501	\$ 34,500	15%	3,900
\$ 34,501	\$ 83,600	25%	12,275
\$ 83,601	\$ 174,400	28%	25,424
\$ 174,401	\$ 379,150	33%	67,567
\$ 379,150	and up	35%	7,298
			117,313

Corporate Tax Table			
State taxes		5%	20,000
Federal income tax base			
Low	High	Marginal Rate	Taxes Paid
\$ -	\$ 50,000	15%	7,500
\$ 50,000	\$ 75,000	25%	6,250
\$ 75,000	\$ 100,000	34%	8,500
\$ 100,000	\$ 335,000	39%	91,650
\$ 335,000	\$ 10,000,000	34%	15,300
\$ 10,000,000	\$ 15,000,000	35%	-
\$ 15,000,000	\$ 18,333,333	38%	-
\$ 18,333,333	and up	35%	-
			129,200

Footnotes:

- 1.) Based on Delaware Open MRI Radiology Associates, P.A. v. Kessler, et al., April 2006.
- 2.) C Corporation assumes dividends taxed at fifteen percent (15%).

Net Working Capital

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

	Financial Statement Data (1)				
	Dec08	Dec09	Dec10	Dec11	Dec12
Total Current Assets	\$ 3,355,602	\$ 3,600,607	\$ 4,492,697	\$ 3,774,032	\$ 5,477,097
Cash	(865,878)	(1,726,076)	(1,196,351)	(1,178,721)	(617,130)
Adjusted current assets	\$ 2,489,724	\$ 1,874,531	\$ 3,296,346	\$ 2,595,311	\$ 4,859,967
Total Current Liabilities	\$ 390,863	\$ 330,695	\$ 1,137,677	\$ 509,842	\$ 1,899,591
Adjusted Working Capital	2,098,861	1,543,836	2,158,669	2,085,469	2,960,376
<i>Changes in Working Capital</i>	NA	(555,025)	614,833	(73,200)	874,907
Total Revenue	\$ 14,520,465	\$ 10,969,750	\$ 14,738,160	\$ 16,080,795	\$ 16,888,021
<i>Adjusted NWC as a % of Total Revenue</i>	14.5%	14.1%	14.6%	13.0%	17.5%

High	17.5%
Average	14.7%
Median	14.5%
Low	13.0%
Industry (2)	7.5%
Selected	7.5%

Footnotes:

- 1.) *Provided by Bill's Auto World management.*
- 2.) *Provided by November 2012 Automobile Dealers First Research Industry Report.*

	Dec09	Dec10	Dec11	Dec12
ASSETS				
<u>Current Assets</u>				
Cash	\$ 1,726,076	\$ 1,196,351	\$ 1,178,721	\$ 617,130
Accounts Receivable	304,132	258,447	344,024	474,622
Inventory	1,435,674	2,856,601	2,115,507	4,157,968
Factory Receivables	74,984	126,545	87,127	185,831
Due from Finance Companies	36,148	36,552	27,972	23,939
Warranty Claims Receivable	12,577	6,563	4,181	5,545
Prepaid Expenses	8,229	8,790	13,589	12,062
Loans to Shareholders	2,787	2,848	2,911	-
Total Current Assets	<u>3,600,607</u>	<u>4,492,697</u>	<u>3,774,032</u>	<u>5,477,097</u>
<u>Non-Current Assets</u>				
Buildings and Equipment	775,113	801,173	804,841	866,114
Capitalized Lease	-	-	-	2,984,361
Accumulated Depreciation	<u>(754,431)</u>	<u>(782,907)</u>	<u>(788,408)</u>	<u>(790,285)</u>
Property, Plant and Equipment, net	20,682	18,266	16,433	3,060,190
Intangible Assets, net	52,885	52,885	52,885	52,885
Other Investments	443	442	376,626	-
Other Assets	24,782	23,524	2,434	4,014
Total Non-Current Assets	<u>98,792</u>	<u>95,117</u>	<u>448,378</u>	<u>3,117,089</u>
TOTAL ASSETS	\$ 3,699,399	\$ 4,587,814	\$ 4,222,410	\$ 8,594,186
LIABILITIES AND STOCKHOLDERS' EQUITY				
<u>Current Liabilities</u>				
Accounts Payable	43,074	15,038	13,347	7,460
Notes Payable - Current	121,319	896,641	298,148	1,592,422
Taxes Payable	14,601	46,231	14,405	37,953
Salaries and Benefits Payable	24,948	32,538	26,263	22,192
Interest Payable	393	1,783	888	3,861
Other Payables	126,360	145,446	156,791	235,703
Total Current Liabilities	<u>330,695</u>	<u>1,137,677</u>	<u>509,842</u>	<u>1,899,591</u>
<u>Non-Current Liabilities</u>				
Notes Payable - Stockholders	2,847,006	2,883,320	3,157,296	2,914,553
Capital Lease Obligation	-	-	-	2,728,861
Other Liabilities - Used Vehicle Reserve	8,822	15,823	12,618	14,518
Total Non-current Liabilities	<u>2,855,828</u>	<u>2,899,143</u>	<u>3,169,914</u>	<u>5,657,932</u>
TOTAL LIABILITIES	3,186,523	4,036,820	3,679,756	7,557,523
<u>Stockholders' Equity</u>				
Capital Stock	162,900	162,900	162,900	162,900
Additional Paid-In Capital	119,704	119,704	119,704	119,704
Retained Earnings	230,272	268,390	260,050	754,059
TOTAL STOCKHOLDERS' EQUITY	512,876	550,994	542,654	1,036,663
LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,699,399	\$ 4,587,814	\$ 4,222,410	\$ 8,594,186
OTHER FINANCIAL INFORMATION				
Equity Distributions	<u>\$ (240,106)</u>	<u>\$ (183,496)</u>	<u>\$ (294,289)</u>	<u>\$ -</u>
<u>Interest Bearing Debt</u>				
Notes Payable - Current	\$ 121,319	\$ 896,641	\$ 298,148	\$ 1,592,422
Capital Lease Obligation	-	-	-	2,728,861
Total Interest Bearing Debt	<u>\$ 121,319</u>	<u>\$ 896,641</u>	<u>\$ 298,148</u>	<u>\$ 4,321,283</u>
Book Value Debt to Total Capital	19.1%	61.9%	35.5%	80.7%

Footnotes:

1.) Provided by Bill's Auto World management.

Bill's Auto World
Historical Income Statements

Exhibit 12

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

	Actual (1)			
	Dec09	Dec10	Dec11	Dec12
<u>Revenue</u>				
Sales	\$ 10,910,521	\$ 14,560,702	\$ 15,943,331	\$ 16,531,515
Other Income	59,229	177,458	137,464	356,506
Total Revenue	10,969,750	14,738,160	16,080,795	16,888,021
<u>Cost of Good Sold</u>				
Total Cost of Goods Sold	9,041,434	12,708,148	13,951,584	14,607,790
Gross Profit	1,928,316	2,030,012	2,129,211	2,280,231
<i>Gross Margin</i>	17.6%	13.8%	13.2%	13.5%
<u>Operating Expenses (w/o D&A)</u>				
Officer Compensation	150,000	175,000	154,000	144,800
Salaries and Wages	634,680	721,558	735,128	846,152
Repairs and Maintenance	5,875	11,816	6,678	5,053
Rent	144,832	122,945	120,978	63,400
Taxes and Licences	144,345	156,860	159,578	71,035
Advertising	37,638	32,870	52,942	85,206
Employee Benefits	118,036	114,359	100,580	91,625
Other Deductions	6,219	6,118	(5,148)	
Life Insurance Premium	6,173	6,119	6,119	
Utilities	34,719	32,279	28,929	30,443
Dues and Subscriptions	8,235	11,199	9,480	10,786
Insurance	60,055	58,106	66,261	61,917
Telephone	13,940	14,634	19,934	11,113
IT Services	56,037	59,315	55,404	58,550
Outside Services	59,238	74,560	76,144	100,271
Office Supplies	10,495	20,706	14,547	14,740
Freight, Postage & Shipping	10,959	11,060	12,038	14,462
Company Vehicle	21,300	24,667	24,228	24,784
Delivery Expense	19,984	25,516	37,026	38,542
Professional Fees	24,516	22,282	20,721	22,593
Other	116,950	57,436	127,909	147,278
Total Operating Expenses (w/o D&A)	1,684,226	1,759,405	1,823,476	1,842,750
EBITDA	244,090	270,607	305,735	437,481
<i>EBITDA Margin</i>	2.2%	1.8%	1.9%	2.6%
Amortization	-	-	4,441	900
Section 179 Depreciation	-	49,442	3,668	-
Depreciation	2,925	2,421	1,828	975
EBIT	241,165	218,744	295,798	435,606
<i>EBIT Margin</i>	2.2%	1.5%	1.8%	2.6%
<u>Interest, Taxes and Other</u>				
+/- Interest	(4,150)	5,993	(9,173)	58,454
Other Deductions	(2,156)	(3,123)	(676)	(50)
Total Interest and Other	(6,306)	2,870	(9,849)	58,404
Net Income	234,859	221,614	285,949	494,010
<i>Net Income Margin</i>	2.1%	1.5%	1.8%	2.9%

Footnotes:

1.) Provided by Bill's Auto World management.

Schedule of Historic Cash Flows

In dollars (\$), unless indicated otherwise

As of: December 31, 2012

	Actual (1)			
	Dec09	Dec10	Dec11	Dec12
Net Income	\$ 234,859	\$ 221,614	\$ 285,949	\$ 494,010
Depreciation	2,925	51,863	5,496	975
Amortization	-	-	4,441	900
Earnings before depreciation and amortization	\$ 237,784	\$ 273,477	\$ 295,886	\$ 495,885
<i>Earnings before depreciation and amortization as % of net sales</i>	2.2%	1.9%	1.8%	2.9%
Changes in working capital accounts				
Accounts Receivable	(138,051)	45,685	(85,577)	(130,598)
Inventory	676,240	(1,420,927)	741,094	(2,042,461)
Factory Receivables	90,603	(51,561)	39,418	(98,704)
Due from Finance Companies	(6,350)	(404)	8,580	4,033
Warranty Claims Receivable	(7,375)	6,014	2,382	(1,364)
Prepaid Expenses	207	(561)	(4,799)	1,527
Loans to Shareholders	(81)	(61)	(63)	2,911
Other Investments	-	1	(376,184)	376,626
Other Assets	(24,311)	1,258	21,090	(1,580)
Accounts Payable	6,095	(28,036)	(1,691)	(5,887)
Taxes Payable	(1,399)	31,630	(31,826)	23,548
Salaries and Benefits Payable	(2,386)	7,590	(6,275)	(4,071)
Interest Payable	(2,683)	1,390	(895)	2,973
Other Payables	(13,996)	19,086	11,345	78,912
Other Liabilities - Used Vehicle Reserve	(14,128)	7,001	(3,205)	1,900
Net cash flow from working capital	\$ 562,385	\$ (1,381,895)	\$ 313,394	\$ (1,792,235)
Acquisition of property, plant and equipment	-	(49,447)	(8,104)	(3,045,632)
Net cash flow available to invested capital	\$ 800,169	\$ (1,157,865)	\$ 601,176	\$ (4,341,982)
<i>Net cash flow available to invested capital as % of sales</i>	7.3%	-7.9%	3.7%	-25.7%
Changes in financing				
Total Interest Bearing Debt	300,135	811,636	(324,517)	3,780,392
Net cash flow available to equity	\$ 1,100,304	\$ (346,229)	\$ 276,659	\$ (561,590)
<i>Net cash flow available to equity as % of sales</i>	10.0%	-2.3%	1.7%	-3.3%
Distributions to stockholders	(240,106)	(183,496)	(294,289)	-
Net cash flow	\$ 860,198	\$ (529,725)	\$ (17,630)	\$ (561,590)

Footnotes:

1.) Provided by Bill's Auto World management.