

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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SC Court of Appeals

APPEAL FROM LEXINGTON COUNTY
Court of Common Pleas

Walton J. McLeod, IV, Circuit Court Judge

Appellate Case No. 2024-000489

212 Motors Holding Group, LLC, 212 Motors Columbia, LLC, 212 Motors
Florence, LLC, Team 212 Columbia, LLC, and Team 212 Florence, LLC,
Appellants,

v.

Adam Maisano, Respondent.

RECORD ON APPEAL

VOLUME II

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212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT J

to Memorandum in Support of Motion to Lift Stay, to
Compel Enforcement of Settlement and Arbitrator's
Award, and for Sanctions and Attorney's Fees

Withum Supplemental Valuation
Report – 212 Motors

December 21, 2023

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Re: 212 Motors Holding Group et al., vs Adam Maisano

Dear Counsel:

WithumSmith+Brown ("Withum" or "We") has prepared this supplemental report to our report dated November 6, 2023. Counsel has asked us to determine the fair market value ("FMV") of Adam Maisano's 33.33% interest (the "Subject Interest") in 212 Motors Holding Group LLC ("212 Motors") as of December 31, 2022 (the Valuation Date) in accordance with section 8.3 of the 212 Motors Holding Group Operating Agreement (the "Operating Agreement")

Under Revenue Ruling 59-60, Fair Market Value is defined as:

"...the price at which property would change hands between a willing buyer and a willing seller, neither being under compulsion to act and both being knowledgeable of the relevant facts and circumstances."

We understand this report will be used in the pending litigation, 212 Motors Holding Group et al., vs Adam Maisano and is not authorized to be used for any other purpose. A list of the documents we considered in this matter is attached as Appendix 1.

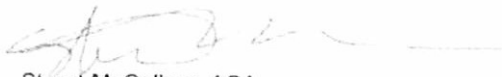
The opinions expressed herein are subject to the statement of Assumptions and Limiting Conditions, which is an integral part of our analyses and conclusions. The opinions expressed herein are subject to the Certification and Statement of Assumptions and Limiting Conditions attached at Appendix 2 and Appendix 3, respectively. We reserve the right to amend or supplement this report should such action be deemed appropriate or necessary.

This report was prepared under the supervision and direction of Stuart McCallum, ASA. Mr. McCallum's curriculum vitae is attached at Appendix 7.

The partners and staff of WithumSmith+Brown, PC, have no present interest in the subject entities. Our compensation is not contingent upon the findings of this report.

We shall be pleased to discuss the enclosed valuation with you at your convenience.

Sincerely,



Stuart McCallum, ASA
Partner

Cc: John Cullino, Esq.

Findings

Based on the analysis herein and presented in the accompanying exhibits, we conclude the FMV of the Subject Interest is \$189,000:

Figure 1: Summary of the Fair Market Value of the Subject Interest (USD)

Entity	212 Motors Florence	212 Motors Columbia	Total
Common Equity (Controlling, Marketable)	741,651	-	741,651
Subject Interest	33.33%	33.33%	
33.33% of Common Equity (Controlling, Marketable)	247,192	-	247,192
Total Discount Factor	23.5%	n/a	
FMV of Subject Interest (Non-Controlling, Non-Marketable, Rounded)	189,000	-	189,000

Figure 2: Summary of the Fair Market Value of the Subject Interest in 212 Motors Florence (Appendix 5, Exhibit 1)

Valuation Method	
Income Approach	
Capitalized Cash Flow Method (Exhibit 14)	944,000
Weight %	100.0%
Asset Approach	
Adjusted Net Asset Method (Exhibit 2)	380,413
Weight %	0.0%
Business Enterprise Value (Controlling, Marketable)	944,000
Plus: Cash	(31,349)
Less: Total Debt	(171,000)
Common Equity (Controlling, Marketable)	741,651
Subject Interest	33.33%
33.33% of Common Equity (Controlling, Marketable)	247,192
Discount for Lack of Control (DLOC)	10.0%
Discount for Lack of Marketability (DLOM)	15.0%
Total Discount Factor	23.5%
Fair Market Value of 33.33% of Common Equity (Non-Controlling, Non-Marketable, Rounded)	189,000

Figure 3: Summary of the Fair Market Value of the Subject Interest Interest in 212 Motors Columbia (Appendix 6, Exhibit 1)

Valuation Method	
Income Approach	
Capitalized Cash Flow Method (Exhibit 14)	846,000
Weight %	100.0%
Asset Approach	
Adjusted Net Asset Method (Exhibit 2)	31,874
Weight %	0.0%
Business Enterprise Value (Controlling, Marketable)	846,000
Plus: Cash	410,754
Less: Total Debt	(1,554,070)
Common Equity (Controlling, Marketable)	-
<i>Subject Interest</i>	33.33%
Fair Market Value of 33.33% of Common Equity (Controlling, Marketable, Rounded)	-

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1.1 OPERATING AGREEMENT

Per section 5.1 of the Operating Agreement, "beginning July 1, 2020, for the following 36 months of operation, the Members shall manage all affairs of the Company by Super-Majority Vote." A Super-Majority Vote is defined as more than 70% of the Membership Interests entitled to vote. The agreement continues, "After that, the Members shall manage all normal day to day operating affairs of the Company by Majority Vote except as expressly set forth herein. Selling substantially all the assets of the Company shall requires a Super-Majority Vote. Borrowing of any amount, bank loans, credit lines, or any financial obligation shall require a Super-Majority Vote. Section 5.1 lists decisions that Michael Love and Rod Slick control regarding selling warranties, pre-paid maintenance services agreements, GAP insurance appearance coverage, and other products and services.

Section 5.4 states a Super-Majority Vote for a Member to receive compensation from the Company. The agreement can only be amended by a Super-Majority-Vote. Other than decisions requiring Super-Majority Vote in the Operating Agreement, the Members can act via Majority Vote. The dissolution of the LLC requires the vote of all of the Members.

Per section 8.1, "a Member shall not Transfer any Membership Interest except in accordance with the terms of this Section 8 or with the prior written consent of all of the other Members." Section 8.2 describes the right of first refusal for the Members. A Member that wishes to Transfer any Membership Interest must first offer his Membership Interest to the LLC at the Agreement Price and on the Agreement Terms. If the LLC does not agree to buy all of the Offered Interest, the Offering Member may complete the intended Transfer on substantially the same terms included in the Offer Notice.

Per section 8.3, "The Agreement Price is defined as (a) that of any proposed Transfer if the proposed Transfer for which notice was given is a bona-fide, third party transaction with consideration to be paid in cash, notes payable in cash, or any combination thereof or (b) an amount equal to the Interest Value (as the term is defined below) if the proposed Transfer for which notice was given is not a bona-fide, their party transaction with consideration to be paid as described above. The "Interest Value" shall be equal to the fair marker value of the Offered Interest, as determined by appraisers selected as provided in this section 8.3 and considering:

- The fair market value of the LLC's assets, less an imputed sales commission equal to seven percent (7%) of the fair market value of the LLC's assets
- The amount of LLC liabilities
- The percentage of ownership represented by that Offered Interest
- The Offering Member's Capital Account
- Debt obligations owed to and by the Offering Member to the LLC"

1.2 OPERATING AGREEMENT SECTION 8.3 VALUATION

In our report dated November 6, 2023 we determined the fair value of a 100% common equity interest in 212 Motors Florence LLC ("Florence") and 212 Motors Columbia ("Columbia") was \$746,000. This also represents the fair value of a 100% common equity interest in 212 Motors Holding Group LLC. The main difference between fair value and fair market value is that fair market value considers discounts such as a discount for lack of control ("DLOC") and discount for lack of marketability ("DLOM") if applicable.

Counsel has asked us to determine the FMV of Adam Maisano's 33.33% interest in 212 Motors as of the Valuation Date in accordance with section 8.3 of the Operating Agreement and to quantify discounts.

212 Motors Florence

Pursuant to section 8.3 of the Operating Agreement, we determined the FMV of Adam Maisano's 33.33% interest in Florence is \$189,000. Our previous report dated November 6, 2023, details the assumptions used to determine the common equity value of \$746,000. We have updated this figure for mathematical errors in our previous report regarding the normalization adjustments of Officer's Compensation, Taxes Payroll, and Rent. See Appendix 5, Exhibit 7 for the updated normalization adjustments. The overall change was a downward adjustment to EBITDA in the amounts of \$332, \$1,701, \$705, and \$0 for the years 2019, 2020, 2021, and 2022, respectively. As a result, the business enterprise value of Florence decreased from \$948,000 to \$944,000. See Appendix 5, Exhibit 14 for the capitalized cash flow method.

To arrive at the FMV of Common Equity of Florence, cash was added and debt was subtracted from the Florence's business enterprise value ("BEV"). Adding cash of (\$31,349) and subtracting debt of \$171,000 from our BEV indication of \$944,000 resulted in a common equity value of \$741,651 on a controlling, marketable basis. Since the Subject Interest relates to 33.33% interest in the Company, we prorated this value of common equity accordingly. Next, we applied a discount for lack of control of 10.0% and a discount for lack of marketability of 15.0%. See Appendix 4 for further information on the discounts.¹ This resulted in the FMV of a 33.33% interest in Florence of \$189,000 on a non-controlling, non-marketable, rounded basis. See Appendix 5, Exhibit 1.

Please see below for commentary on section 8.3 of the Operating Agreement.

- The fair market value of the LLC's assets, less an imputed sales commission equal to seven percent (7%) of the fair market value of the LLC's assets
- The amount of LLC liabilities
 - We utilized the income approach to determine the FMV of Florence's assets and liabilities. The 7% sales commission would be included in our DLOM selection of 15.0%. A DLOM considers costs, both in terms of time and money, that would have to be incurred for the investor to locate a willing buyer for an investment. A sales commission or brokers fee is a common cost associated with the same. See Appendix 4 for further information regarding our DLOM selection.
- The percentage of ownership represented by that Offered Interest
 - The Offered Interest equals 33.33% of common equity.
- The Offering Member's Capital Account
 - Section 13.6 defines the "Capital Accounts" or "LLC Capital" as the total of the Members' capital contributions. This point is not applicable as Mr. Maisano's 212 Motors 2020 to 2022 schedule K-1's indicated that \$0 of capital was contributed.
- Debt obligations owed to and by the Offering Member to the LLC

¹ Total discount calculated as $1 - ((1 - DLOC) * (1 - DLOM))$

- o Mr. Maisano did not lend funds to Florence. Florence has total debt of \$171,000 as of the Valuation Date. It is our understanding that this is a loan for working capital purposes. We offer no opinion how this loan would factor into the Agreement Price as it falls outside of the scope of our determination of fair market value.

Inventory Adjustment

In our report dated November 6, 2023 we made a normalization adjustment to increase the Florence December 31, 2022 inventory balance by \$204,382 and decrease cost of sales by the same amount. We were provided a letter from Rodney Slick dated December 18, 2023 that disagrees this adjustment. We reviewed the same and did not change this normalization adjustment for the same reasoning discussed in our letter dated November 27, 2023:

We were engaged to give a value to the business as of December 31, 2022. Valuation of inventory was done as of this date and is supported with schedules from both stores that the store's accounting team has access to. On the Florence books, a "reserve" was calculated and posted to the inventory schedule thus lowering the value of overall inventory and presumably increasing cost of sale or inventory adjustments depending on the company's policy for posting adjustments. When the inventory was transferred to the Columbia location all units were transferred at the same value that they were held for on the Florence books neglecting an adjustment for the reserve that was held on Florence's books. This would indicate that units transferred by December 31, 2022, are overstated on the Columbia books. Support has been provided showing adjusted inventory values on Columbia's books in response to the proposed adjustment, but all adjustments were made in subsequent months and would not affect a valuation dated December 31, 2022.

212 Motors Columbia

Pursuant to section 8.3 of the Operating Agreement, we determined the FMV of Adam Maisano's 33.33% interest in Columbia is \$0. Our previous report dated November 6, 2023 details the assumptions used to determine the common equity value of \$0. To arrive at the FMV of Common Equity of Columbia, cash was added and debt was subtracted from the Columbia's business enterprise value ("BEV"). Adding cash of 410,754 and subtracting debt of \$1,554,070 from our BEV indication of \$846,000 resulted in a common equity value of \$0² on a controlling, marketable basis. Discounts are not applicable for the 33.33% interest in Columbia as the concluded value is \$0. See Appendix 6, Exhibit 1.

Please see below for commentary on section 8.3 of the Operating Agreement.

- The fair market value of the LLC's assets, less an imputed sales commission equal to seven percent (7%) of the fair market value of the LLC's assets
- The amount of LLC liabilities
 - o We utilized the income approach to determine the FMV of Columbia's assets and liabilities. The 7% sales commission would be included in a DLOM. However, we did not determine a DLOM as the concluded equity value was \$0.
- The percentage of ownership represented by that Offered Interest

² \$846,000+\$410,754-\$1,554,070= (\$297,316), rounded to \$0 as a negative common equity value is not applicable

- The Offered Interest equals 33.33% of common equity.
- The Offering Member's Capital Account
 - Section 13.6 defines the "Capital Accounts" or "LLC Capital" as the total of the Members' capital contributions. This point is not applicable as Mr. Maisano's 212 Motors 2020 to 2022 schedule K-1's indicated that \$0 of capital was contributed.
- Debt obligations owed to and by the Offering Member to the LLC
 - Mr. Maisano did not lend funds to Columbia. Columbia has total debt of \$1,554,070 as of the Valuation Date. It is our understanding that this is a loan for working capital purposes, and Mr. Maisano is a co-signer for this loan. We offer no opinion how this loan would factor into the Agreement Price as it falls outside the scope of our determination of fair market value.

1.3 CONCLUSION OF VALUE

Based on the analysis herein and presented in the accompanying exhibits, we conclude the FMV of the Subject Interest is \$189,000:

Figure 4: Summary of the Fair Market Value of the Subject Interest (USD)

Entity	212 Motors Florence	212 Motors Columbia	Total
Common Equity (Controlling, Marketable)	741,651	-	741,651
Subject Interest	33.33%	33.33%	
33.33% of Common Equity (Controlling, Marketable)	247,192	-	247,192
Total Discount Factor	23.5%	n/a	
FMV of Subject Interest (Non-Controlling, Non-Marketable, Rounded)	189,000	-	189,000

APPENDIX 1 – DOCUMENTS REVIEWED BY WITHUMSMITH+BROWN

212 Motors Columbia LLC

- Archive Month Schedules 2021 – 2023;
- Bank of America x2924 May 2022 – August 2023 Credit Card Statements;
- SouthState Bank x0819 April 2022 – August 2023 Credit Card Statements;
- Certificate of Action Taken dated November 17, 2020;
- Certificate of Action Taken dated October 22, 2021;
- Combined Certificate of Action Taken dated October 19, 2022;
- Operating Agreement dated November 17, 2020;
- Dealer Financial Statements 2021 – 2022;
- General Ledgers February 2021 – December 2022;
- Florence Sales in Columbia Schedule;
- Prior Valuation performed by Turbo M&A, LLC dated January 17, 2022;
- Square Footage Leased to 212 Motors Schedule; and
- Trial Balances 2021 – 2022;

212 Motors Florence LLC

- Archive Month Schedules 2020 – 2022;
- Certificate of Action Taken dated June 30, 2020;
- Certificate of Action Taken dated October 22, 2021;
- Operating Agreement dated July 1, 2020;
- General Ledgers February 2022 – December 2022;
- Florence Sales in Columbia Schedule;

- Closing Inventory Write Downs;
- Packs Structure;
- Square Footage Leased to 212 Motors Schedule;
- Federal Tax Returns 2019 – 2020;
- Trial Balances 2019 – 2022; and
- Trial Balance 2019 Adjustments;

212 Motors Holding Group LLC

- Certificate of Action Taken dated June 30, 2020;
- Certificate of Action Taken dated October 22, 2021;
- Operating Agreement dated June 30, 2020;
- Bank of America x0745 December 2019 – December 2022 Credit Card Statements;
- Prior Valuation performed by Moore Beuston Woodham dated February 2, 2023;
- Prior Valuation performed by Turbo M&A, LLC dated January 17, 2022;
- Square Footage Leased to 212 Motors Schedule; and
- Federal Tax Returns 2020 – 2022;

Other Articles and Publications including:

- Business Valuation Resources: Economic Outlook Update Q4 2022; and
- IBISWorld Industry Report 44112: Used Car Dealers in the US.

Third-party sources of data used including:

- Kroll Cost of Capital Navigator;
- December 2022 Livingston Survey;
- FactSet/BVR Control Premium Study; and
- S&P's Capital IQ platform

APPENDIX 2 – APPRAISER CERTIFICATION

We hereby, to our best knowledge and belief, certify the following statements regarding this opinion:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the Company or the Subject Interests that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the subject matter of this report or to the parties involved with this engagement.
6. Our compensation for this engagement is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Company, 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 this report.
7. Our engagement for the provision of services was not contingent upon developing or reporting predetermined results.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with generally accepted standards and is subject to the requirements of the code of professional ethics and standards of professional conduct of the professional appraisal organizations of which we are members.
9. We are in compliance with the certification programs of the professional appraisal organizations of which we are members.
10. Our analyses, opinions, or conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP").
11. The person listed below provided significant professional assistance to the persons signing this certification.



Stuart McCallum, ASA, *Partner*

WithumSmith+Brown, PC

APPENDIX 3 – ASSUMPTIONS AND LIMITING CONDITIONS

This estimate of value is subject to the following assumptions and limiting conditions:

1. The information, estimates, and opinions contained in this report were obtained from sources considered to be reliable. However, we assume no liability for such sources.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone without previous written consent of WithumSmith+Brown, PC, and, in any event, only with proper attribution.
3. We do not purport to be a guarantor of value. Valuation of closely held companies is an imprecise science, with value being a question of fact, and reasonable people can disagree in their estimates of value. However, we used conceptually sound and commonly accepted methods of valuation in determining the estimate of value included in this report.
4. The opinion of value presented in this report applies to this report only and may not be used out of the context presented herein. This opinion of value is valid only for the purposes specified herein. The opinion of value and the report reflect facts and conditions existing at the Valuation Date. Subsequent events have not been considered, and we have no obligation to update this report for such events and conditions.
5. This report was prepared under the direction of Stuart McCallum, ASA. Neither the professionals who worked on this engagement, nor the principals of WithumSmith+Brown, PC, have any present or contemplated future interest in the Company or Subject Interests, any personal interest with respect to the parties involved, or any other interest that might prevent the performance of an unbiased valuation. Our compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

APPENDIX 4 – FLORENCE DISCOUNTS

Discount for Lack of Control

Gary R. Trugman's text *Understanding Business Valuation* provides the following explanation of control premiums:

The pro rata value of a controlling interest in a closely held company is said to be worth more than the value of a minority interest because of the prerogatives of control that generally follow the controlling shares. An investor will generally pay more (a premium) for the rights that are considered to be part of the controlling interest.³

These "prerogatives of control" should be considered in the assessment of a control premium's size. They include the right to:

- Elect the board of directors
- Appoint the management team
- Determine compensation and perquisites
- Set business policy
- Acquire or liquidate assets
- Make acquisitions or divestitures
- Sell or acquire treasury stock
- Register the stock for an IPO
- Declare dividends
- Change the articles of incorporation or bylaws of the corporation⁴

A control premium is applied to a freely traded minority value to determine the control value of a closely held business. This generally occurs when the appraiser uses public stock market information as the valuation's starting point.⁵ A control premium is not applicable to the valuation of the Subject Interest.

³ Trugman, G. R. (2002). *Understanding Business Valuation* (2nd ed.). New York: American Institute of Certified Public Accountants, Inc., p. 359

⁴ *Ibid.*, p. 359

⁵ *Ibid.*, p. 359

Minority Discount

A minority discount is the opposite of a control premium.⁶ It is used to determine the non-controlling value of the subject interest when a control value is the starting point. Expressed differently, a minority discount is a:

“...reduction in the control value of the appraisal subject that is intended to reflect the fact that a minority stockholder cannot control the daily activities or policy decisions of an enterprise, leading to a reduction in value.”⁷

The size of the subject interest, the level of control, and the ability to liquidate the Company are among the factors that affect the size of the discount.⁸

Control premiums measured in the public market can be used to determine minority discounts. The following formula is used to determine the minority discount:⁹

$$1 - \left(\frac{1}{1 + CP} \right)$$

Data on control premiums is generally not available for closely held businesses. Therefore, the appraiser uses transactions from the public stock market as a gauge as to the amount of premium paid in transactions involving buyouts. Mergerstat Review is the most commonly used source of control premium data.

⁶ Ibid., p. 359

⁷ Ibid., p. 366

⁸ Ibid., p. 366

⁹ Ibid., p. 367

Figure 5: Mergerstat Study Results

Year	# of Transactions	Median Premium	Implied DLOC	Average Premium	Implied DLOC
1996		32.0%	24.2%		
1997		26.0%	20.6%		
1998	464	30.0%	23.1%	36.0%	26.5%
1999	451	29.4%	22.7%	40.2%	28.7%
2000	705	33.1%	24.9%	47.6%	32.2%
2001	986	37.1%	27.1%	48.5%	32.7%
2002	791	36.9%	27.0%	52.3%	34.3%
2003	558	33.1%	24.9%	50.3%	33.5%
2004	395	36.2%	26.6%	49.8%	33.2%
2005	486	24.4%	19.6%	33.9%	25.3%
2006	546	22.3%	18.2%	31.4%	23.9%
2007	580	20.8%	17.2%	30.1%	23.1%
2008	793	21.7%	17.8%	29.2%	22.6%
2009	594	33.9%	25.3%	52.3%	34.3%
2010	440	40.8%	29.0%	83.6%	45.5%
2011	562	34.7%	25.8%	48.9%	32.8%
2012	608	37.8%	27.4%	59.2%	37.2%
2013	498	34.2%	25.5%	49.1%	32.9%
2014	461	30.9%	23.6%	46.3%	31.6%
2015	511	28.2%	22.0%	42.4%	29.8%
2016	515	27.2%	21.4%	38.9%	28.0%
2017	552	32.5%	24.5%	48.0%	32.4%
2018	514	25.9%	20.6%	43.0%	30.1%
2019	569	27.0%	21.3%	58.8%	37.0%
2020	545	23.5%	19.0%	35.9%	26.4%
2021	459	27.2%	21.4%	44.0%	30.6%
2022	585	25.1%	20.1%	42.0%	29.6%
Median		30.1%	23.0%	45.7%	31.0%
Mean		30.0%	23.1%	46.3%	31.6%

The transactions included in the Mergerstat study summarized in Figure 5 are across all industries. We also searched for transactions with targets in the used car dealership industry (NAICS 441120). This resulted in 2 transactions with implied minority discounts on equity of 17.7% and 51.8%. The third transaction had a negative equity control

premium/minority discount. The 3 transactions were also outside of the United States. Therefore, due to the international nature of the transactions and lack of a sufficient number of transactions, we did not consider this data.

Factors to Consider

The nature of applying control premiums is imperfect. Every available control premium study reports and quantifies transactional acquisition price premiums, not just ownership control premiums. The transaction price of an entity is a good indicator of value but does have flaws. The transaction price can have factors included that are not indicative of the stand-alone value. This reflects in differences between total acquisition price premiums and the control premiums. The control premiums in the public market are acquisition premiums and reflect the synergies between the individual buyer and seller. These synergies are case specific to the transaction and would not be included in a general valuation of an entity. Even with these flaws, the empirical control premium data is the best available and can be justified by the fact that most acquisitions are completed by a buyer and a seller with similar strategic synergies, which justify the acquisition.

The range of control premiums used is very disperse, which should caution appraisers to rely too heavily on this data. Many times, the buyer justifies buying a company at a large premium. There are a few reasons as to why a buyer would do so including:

- Target company's shares may be undervalued due to mismanagement or underutilization;
- Shareholder value may be maximized, but the company is due to grow, and this growth is not reflected in the stock market;
- The acquisition is a strategic acquisition and the buyer will now have access to new markets; and
- Sometimes a buyer will simply overpay for an entity.

Whenever a buyer pays for an entity at a premium the control premium is slightly skewed to that of standalone value. These acquisitions are not always indicative of independent, going concern, value and are not representative of the public companies' appraisers use as comparatives.

Selected DLOC

In consideration of the Mergerstat Review data on the previous page, we have selected a DLOC of 10.0% for the Subject Interest. We decided to select a DLOC lower than what was reported in the Mergerstat study as the 33.33% Subject Interest has the ability to block a vote due to the Super-Majority Vote clauses per section 5.1 and 5.4 of the Operating Agreement.

In addition, we selected a DLOC lower than what was reported in the Mergerstat study because the reported control premiums tend to be overstated due to circumstances such as: the target company's share being undervalued at the time of purchase, the buyer in a transaction overestimating the value of synergies or strategic access to new markets, managerial hubris in pursuing a merger and acquisition transaction, and/or simply an overpayment on the buyer's side for a target company. Approximating a DLOC below the Mergerstat data attempts to isolate the premium

associated with control from the total sales premium which may include various and differing factors in connection with the sale of each individual business.

Discount for Lack of Marketability

The discount for lack of marketability reflects the impact on value of a security's lack of liquidity or marketability. An interest that is not registered with the SEC is not saleable on public security markets and is not readily convertible to cash. Securities that lack the inherent liquidity of publicly traded securities may not be as attractive for investment purposes. This phenomenon is observed daily and has been studied and measured in multiple studies over many decades that yield consistent results. The lack of liquidity results in an observed a reduction in value due to the illiquid nature of the investment. Costs, both in terms of time and money, that would have to be incurred for the investor to locate a willing buyer for an investment. Due to the volatility of the prices of equity securities, this lack of ready marketability has an impact on value, creating a need for a DLOM.

If the subject entity is private and closely-held, the security holders have no access to an active market. Further, minority and non-controlling shareholders cannot force registration to provide marketability. Without market access, an investor's ability to control the timing of potential gains, to avoid losses and to minimize the opportunity costs associated with the inability to direct funds to a more promising investment is severely impaired.

There are two types of empirical market studies that are generally used to substantiate the quantification of a DLOM: restricted stock studies and pre-IPO studies.

Restricted Stock Studies

There exists a body of knowledge regarding the DLOM based on transactional data involving restricted stock. This knowledge is embodied in empirical studies of actual market data and is known in the valuation profession as "Restricted Stock Studies." Such studies include transactions during the period from 1966 through 1998 involving restricted stock of publicly traded companies in private placements. Restricted Stock for purposes of these studies is the term used to describe shares of publicly traded companies that are subject to limitations (restrictions) on transfer or trading. The sales of transferred restricted securities that were studied generally contained legal restrictions on resale placed on the shares by the application of relevant portions of the Securities Act of 1933. The restricted stock studies attempt to measure the DLOM (i.e., the percentage discount from the quoted price and the price at which restricted shares of the same company were actually sold). These studies indicate that restricted shares of public companies often trade at significant discounts to the market price of their otherwise freely-traded shares.

The Columbia Financial Advisors, Inc. 2000 study addressed the effect on discounts as a result of the holding period change and found the range of discounts to be less with an average discount of 13% and median discount of 9% and a range of discounts of 0% to 30%.

Management Planning, Inc. Study

Management Planning, Inc. ("MPI") has conducted an ongoing study of private placements of unregistered shares of common stock of companies which have otherwise identical securities trading in the public market. The study focused on a group of 49 private transactions after excluding those that involved start-ups or that had experienced a loss in the fiscal year prior to the private transaction, or those that had registration rights. The range of discounts for this group was from a low of 3.0% to a high of 58.0%. The mean discount for the group was 27.7% and the median was 28.8%. The study concluded that companies with greater revenues, higher earnings, higher market price per share, higher earnings price stability, and/or higher earnings stability exhibited lower discounts and vice versa.

The Silber Study

The William Silber study analyzed 310 private placements of common stock of publicly traded companies from 1981 to 1988. Excluding those with warrants or other special provisions, the study looked at a total of 69 companies. These companies were divided into two groups based on the size of the discount (greater than or less than 35.0%) and analyzed according to revenues, market capitalization, earnings, and size of restricted block. The study observed that companies with greater revenues, market capitalization, and/or earnings exhibit lower discounts, and vice versa. The study also observed that smaller restricted blocks traded at lower discounts and vice versa.

SEC Institutional Investor Study

The SEC Institutional Investor Study analyzed discounts associated with restricted shares of publicly traded companies which were sold during the period from January 1, 1966 to June 30, 1969. Generally, the SEC concluded that the differences between the prices paid for the restricted shares and their publicly traded counterparts were a function of the sales and earnings of the issuing corporation, the trading market for the stock and resale constraints applicable to the restricted securities.

In 1977, the Internal Revenue Service issued Revenue Ruling 77-287, Valuation of Securities Restricted from Immediate Resale. This ruling and its conclusions were based on the SEC's study and recognized that a marketability discount was associated with shares that did not have immediate access to an active public market.

Standard Research Consultants Study

In the spring of 1983, Standard Research Consultants ("SRC") published "Revenue Ruling 77-287 Revisited" SRC Quarterly Reports (Volume 10, No. 1). The article reviewed an analysis based on 28 private placements of restricted common stock from October 1978 through June 1982. The study found that discounts from the price of publicly traded stock ranged from 7.0% to 91.0%, with a median of 45.0%. Further, SRC concluded that the earnings pattern of the issuer was an important factor associated with the size of the discounts. Companies that displayed five or more years of successive profits were able to sell their securities at substantially smaller discounts (a median of 34%) than companies with one or more years of losses in the five years prior to the sale. Further, companies with the largest revenues were accorded the smallest discounts (a median of 36.0%).

The Gelman Study

In 1972, Milton Gelman studied prices paid for restricted securities by four closed-end investment companies specializing in restricted securities investments. From 89 transactions between 1968 and 1970, Gelman found that both the arithmetic average and median discounts were 33.0% and that almost 60.0% of the purchases were at discounts of 30.0% and higher.

The Moroney Study

In 1973, Robert E. Moroney assembled the published statements of 10 registered investment companies. Those companies held a total of 146 blocks of "restricted equity securities." The indicated mean and median original cash-purchase price discounts were 35.6% and 33.0%, respectively. Discounts ranged up to 90.0%. Moroney concluded that if a given percentage discount was fair and reasonable for a minority block of "letter stock" which the buyer expected to become marketable within the next two years pursuant to Rule 144, then a greater marketability discount would be appropriate for minority interests in closely held stocks that enjoy no such expectations.

The Maher Study

In 1976, J. Michael Maher published an examination of reports filed with the SEC by four mutual funds for the years 1969-1973. In total, the Maher study considered 34 transactions. The study was limited to restricted common stock purchased by the funds. Discounts were derived by computing the cost as paid by the funds to the market value of unrestricted securities of the same class in the same companies on the acquisition date. Maher found that the mean and median discounts were 35.4% and 33.3%, respectively.

The Trout Study

In a study of letter stocks purchased by mutual funds from 1968 to 1972, Robert Trout attempted to construct an empirical financial model that would provide an estimate of the discount appropriate for a private company's stock. His multiple regression model involved 60 purchases and found a mean discount of 33.5% for restricted stock from freely traded stock.

The Johnson Study

In 1999, Bruce Johnson authored a study that related the findings from a study of 72 transactions occurring from 1991 to 1995. Approximately 10.0% of the restricted stock transactions were comprised of bank and real estate investment trust ("REIT") companies. According to Johnson, the discount for lack of marketability is lower for banks and REITs because these businesses are asset-based and comparatively more stable. Johnson did conclude that the profitability, size, holding period, and transaction amount are factors that affect the DLOM. His data indicated a mean discount of 20%.

Columbia Financial Group

Columbia Financial Group completed two studies. The first study included 23 transactions during the period January 1, 1996 through April 30, 1997 (effective date of the easing of restrictions under Rule 144). The second study includes 15 transactions during the period January 1, 1997 through December 31, 1998. Companies with no offer price or public market available, transactions with non-U.S. issuers, securities that were not traded in the U.S. and securities that were not restricted and/or unregistered were eliminated from consideration. The first study found a mean discount of 21.0% and a median discount of 14.0%. The second study found a discount of 13.0% and a median discount of 9.0%.

The FMV Opinions Study

In 2001, FMV Opinions latest restricted stock study included 243 transactions, all of which occurred between 1980 and 1997, prior to the effective date of the liberalization of Rule 144. The study calculated an overall average discount of 22.1% and a median discount of 20.0%. The study noted that the dollar value of total assets and price per share are negatively correlated with the size of the discount while market-to-book ratios are positively correlated with the size of the discount.

Pre-IPO Studies

A second form of study was developed to assess the impact of limited marketability on the value of a security. Unlike the prior studies of restricted stock transactions, the new studies were based on private transactions that occurred shortly before a company's IPO. By comparing the prices of stock of privately held companies in private transactions to the values of shares that were issued shortly thereafter in the IPO, the impact of lack of ready marketability can be estimated.

The Emory Study

The results of John Emory's study, Expanded Study of the Value of Marketability as Illustrated in Initial Public Offerings of Common Stock, May 1997 through December 2000, were published in Business Valuation Review in its December 2001 issue. The study analyzed initial public offerings to determine the relationship between the price at which the stock was initially offered to the public and the price at which private sales were transacted within five months prior to the initial public offering. The results of this study were that, in 283 qualifying transactions, the private buyers paid, on average, 50.0% less than the price at which the stock subsequently came to market, with a median discount of 52.0%. The results of the most recent study and the studies covering the prior eight two-year periods are presented below.

Figure 6. Emory Study Results

	Mean	Median
1997-2000	50.0%	52.0%
1996-1997	43.0%	42.0%
1994-1995	45.0%	45.0%
1992-1993	45.0%	45.0%
1990-1992	42.0%	40.0%
1989-1990	45.0%	40.0%
1987-1989	45.0%	45.0%
1985-1986	43.0%	43.0%
1980-1981	60.0%	66.0%

Willamette Management Studies

Similar to the Emory study, the Willamette Management Associates pre-IPO study provides indications of a discount for lack of marketability consistently above 40.0%. In fact, as indicated by the median DLDM, that figure is consistently over 50.0%. This evidence, when looked at in summary fashion, corroborates the conclusions of the Emory Study: that is, the discounts for lack of marketability associated with closely held securities are likely to be higher than the discounts attributed to the liquidity constraints placed on restricted securities.

Summary of Marketability Discount Studies

We present a brief overview of the relevant restricted stock and pre-IPO studies. summarizes the median and mean marketability discounts of the referenced studies:

Figure 7: Restricted Stock and Pre-IPO Study Results

Study	Median	Mean
Restricted Stock Studies		
Management Planning, Inc.	29.0%	28.0%
Silber	35.0%	34.0%
SEC Institutional Investor	24.0%	26.0%
Standard Research Consultants	45.0%	NA
Gelman	33.0%	33.0%
Moroney	33.0%	36.0%
Maher	33.0%	35.0%
Trout	NA	34.0%
Johnson	NA	20.0%
Columbia Financial Advisors	21.0%	14.0%
Columbia Financial Advisors	13.0%	9.0%
The FMV Opinions Study	21.0%	20.0%
Pre-IPO Studies		
Emory	52.0%	50.0%
Willamette Management Associates	53.0%	47.0%
High	53.0%	50.0%
Low	13.0%	9.0%
Median	32.0%	33.0%
Mean	32.0%	30.0%

Other Evidence of Discounts

Although the above studies were prepared for non-publicly traded stock or other restricted equity securities, the courts have allowed the use of such studies relating to valuation of privately held companies. In addition to the restricted stock studies summarized above, one can consider the specific factors that contribute to a marketability discount, as identified by the 1995 Tax Court Memorandum provided in *Mandelbaum vs. Commissioner*¹⁰ ("Mandelbaum"). The *Mandelbaum* case is significant as it specifically identifies nine factors that contribute to a DLOM (many of the studies summarized above also considered these factors). They include the following:

1. Financial condition of the company: Florence's revenues declined 14.1% in 2021 and 43.0% in 2022. Normalized gross profit also declined from 9.7% in 2021 to 4.6% in 2022. Florence's normalized EBITDA

¹⁰ T.C. Memo 1995-225, Docket No. 20517-92

- margins have range from a high of 1.5% to a low of -4.8%, these figures are below industry averages. This factor supports an above average DLOM.
2. Dividend paying capacity: 212 Motors Florence made a distribution of \$11,437 in 2019. No distributions were made from 2020 to 2022 per the 212 Motors Florence LLC and 212 Motors Holding Group LLC tax returns. The low EBITDA margin of the Florence indicates a low dividend paying capacity. This supports an above average DLOM.
 3. Nature of entity and future outlook: The Company operates a used car dealership in Florence, South Carolina. Revenue for this industry has grown steadily over the five years to 2022, including a 6.0% increase in 2022 alone. Rising disposable income and greater access to credit enabled more consumers to afford industry products. These factors are all positive tailwinds for the industry. This factor supports a below-average DLOM.
 4. Depth of company management: We were given no indication of any issues concerning the quality or depth of the Company's management. This factor has a neutral effect on the DLOM.
 5. Degree of control: The Subject Interest relates to a 33.33% non-controlling interest. However, the Subject Interest has the ability to block a vote due to the Super-Majority Vote clauses per section 5.1 and 5.4 of the Operating Agreement. This factor supports a below-average DLOM.
 6. Restrictions on transfer: Per section 8.1 of the Operating Agreement prior written consent of all of the other Members is required to Transfer an interest. The definition of a "Transfer" per the Operating Agreement does not include any assignment of any Membership Interest to another Member or certain transfers to trusts as outlined in section 13.32. This factor supports an above-average DLOM.
 7. Holding period: Equity investment in a private company is generally considered to be long-term in nature. This factor supports an above-average DLOM.
 8. Company's redemption policy: Section 8.1 outlines a right of first refusal. However, the Operating Agreement does not outline a mandatory redemption policy. This factor supports an above-average DLOM.
 9. Costs associated with making a public offering: There is a de minimis chance of the Company making a public offering. This factor therefore has a neutral effect on DLOM.

Selected DLOM

We considered the range of discounts above from the restricted stock studies, the pre-IPO studies, and the "Mandelbaum Factors" in arriving at a DLOM. It is our opinion that a 15.0% DLOM is appropriate for the Subject Interest as of the Valuation Date.

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APPENDIX 5 – 212 MOTORS FLORENCE LLC

EXHIBITS

Withum Confidential

212 Motors Florence LLC

Valuation of 212 Motors Florence LLC

Valuation Date: December 31, 2022
Prepared on December 21, 2023



Corporate Value Consulting

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212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Disclaimer
As of December 31, 2022

In the event the Client uses these exhibits for or in relation to any tax matter, the exhibits are not intended or written by Withum to be used, and cannot be used by a client or any other person or entity for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to any other party any matters addressed herein.

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212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Assumptions and Limiting Conditions
As of December 31, 2022

- (1) The information, estimates, and opinions contained in these schedules were obtained from sources considered to be reliable. However, we assume no liability for such sources.
- (2) Possession of these schedules, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone without previous written consent of WithumSmith+Brown, and, in any event, only with proper attribution.
- (3) We do not purport to be a guarantor of value. Valuation of closely held companies is an imprecise science, with value being a question of fact, and reasonable people can disagree in their estimates of value. However, we used conceptually sound and commonly accepted methods of valuation in determining the estimate of value included in these schedules.
- (4) The values presented in these schedules applies to this report only and may not be used out of the context presented herein. This value is valid only for the purposes specified herein. The value and the schedules reflect facts and conditions existing at the valuation date. Subsequent events have not been considered, and we have no obligation to update the schedules for such events and conditions.
- (5) Neither the professionals who worked on this engagement, nor the principals of WithumSmith+Brown, have any present or contemplated future interest in the Company, any personal interest with respect to the parties involved, or any other interest that might prevent the performance of an unbiased valuation. Our compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this value.

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**212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Table of Contents
As of December 31, 2022**

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**212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
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As of December 31, 2022**

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212 Motors Florence LLC		Exhibit 1
Valuation of 212 Motors Florence LLC		(USD)
Summary of Values		
As of December 31, 2022		
Valuation Method		
Income Approach		
Capitalized Cash Flow Method (Exhibit 14)		944,000
(1) Weight %		100.0%
Asset Approach		
(2) Adjusted Net Asset Method (Exhibit 2)		380,413
(1) Weight %		0.0%
Business Enterprise Value (Controlling, Marketable)		944,000
(2) Plus: Cash		(31,349)
(2) Less: Total Debt		(171,000)
Common Equity (Controlling, Marketable)		741,651
Subject Interest		33.33%
33.33% of Common Equity (Controlling, Marketable)		247,182
(3) Discount for Lack of Control (DLOC)		10.0%
(4) Discount for Lack of Marketability (DLOM)		15.0%
(5) Total Discount Factor		23.5%
Fair Market Value of 33.33% of Common Equity (Non-Controlling, Non-Marketable, Rounded)		189,000

Notes:

- (1) Weightings reflect Withum's judgment regarding the reliability of each method as an indication of value.
- (2) All information provided by Management unless otherwise noted. Assumed that Fair Market Value equals closing balance sheet book value (net of any adjustments presented on the Balance Sheet) as of December 31, 2022.
- (3) DLOC based upon consideration of Mergerstat data, normalization adjustments applied, and subject interest characteristics.
- (4) DLOM based upon consideration of restricted stock studies and Mandelbaum factors.
- (5) Total discount calculated as 1-((1-DLOC)*(1-DLOM))

Exhibit
(US\$)

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Balance Sheet (BS)
As of December 31, 2022

Line Item (1)	Historical				Adjusted Closing BS (12/31/2022)		
	12/31/2019	12/31/2020	12/31/2021	12/31/2022	Book Value	Fair Market Value Adjustments	Fair Market Value
Assets							
Cash	612,652	647,737	245,445	(31,349)	(31,349)	-	(31,349)
Accounts Receivable	50,896	67,555	194,230	48,917	48,917	-	48,917
Inventories	4,516,366	5,373,364	4,772,413	2,476,757 (11)	2,476,757	204,382	2,681,139
Prepaid Expenses	44,260	10,848	28,008	43,224	43,224	-	43,224
Total Current Assets	5,224,134	6,399,604	5,240,086	2,637,549	2,637,549	204,382	2,741,931
Leasehold Improvements	20,283	46,986	92,996	92,996	92,996	-	92,996
M&S Equipment	21,167	20,673	70,137	70,137	70,137	-	70,137
Furniture and Fixtures	81,360	81,207	81,207	81,207	81,207	-	81,207
Property, Plant & Equipment, gross	122,830	149,846	244,340	244,340	244,340	-	244,340
less Accumulated Depreciation	(8,826)	(26,285)	(50,039)	(73,679)	(73,679)	-	(73,679)
Property, Plant & Equipment	114,005	123,561	194,301	170,661	170,661	-	170,661
Total Long Term Assets	114,005	123,561	194,301	170,661	170,661	-	170,661
Total Assets	6,338,139	6,523,095	5,434,387	2,708,210	2,708,210	204,382	2,912,592
Liabilities & Equity							
Accounts Payable	334,955	355,657	67,589	127,619	127,619	-	127,619
(2) Notes Payable - Other	-	-	-	16,000	16,000	-	16,000
Notes Payable - Used Vehicles	4,027,236	4,838,677	4,369,143	2,291,935	2,291,935	-	2,291,935
Interest Payable	21,782	15,291	13,809	17,192	17,192	-	17,192
Salaries, Wages, Commissions Payable	44,519	44,606	24,507	500	500	-	500
Income Taxes Payable	10,339	-	-	-	-	-	-
Other Payables	231,671	283,600	175,440	90,576	90,576	-	90,576
Other Taxes Payable	-	49,393	23,374	35,706	35,706	-	35,706
Sales Tax Payable	152	453	-	-	-	-	-
Total Current Liabilities	4,670,654	5,588,687	4,673,862	2,679,528	2,679,528	-	2,679,528
(2) Long Term Debt	-	211,247	-	155,000	155,000	-	155,000
Total Long Term Liabilities	-	211,247	-	155,000	155,000	-	155,000
Total Liabilities	4,670,654	5,799,934	4,673,862	2,734,528	2,734,528	-	2,734,528
Common Equity	667,285	723,781	760,535	(26,318)	(26,318)	204,382	178,064
Total Equity	667,285	723,781	760,535	(26,318)	(26,318)	204,382	178,064
Total Liabilities & Equity	5,338,139	6,523,095	5,434,387	2,708,210	2,708,210	204,382	2,912,592
(3) Net Working Capital	553,280	811,437	566,234	(25,979)	(25,979)	-	178,403
Net Working Capital % of Revenue	6.6%	3.1%	2.5%	-0.2%	-0.2%	-	1.4%
(4) Cash Free Net Working Capital	(59,372)	(136,300)	320,789	5,370	5,370	-	209,752
Cash Free Net Working Capital % of Revenue	-0.7%	-0.5%	1.4%	0.0%	0.0%	-	1.6%
(5) Total Cash	612,652	647,737	245,445	(31,349)	(31,349)	-	(31,349)
(6) Total Debt	-	211,247	-	171,000	171,000	-	171,000
(7) Net Debt	(612,652)	(736,490)	(245,445)	202,349	202,349	-	202,349
(8) Value of Invested Capital	667,285	936,028	760,535	144,682	144,682	-	349,064
(9) Enterprise Value	54,633	(12,709)	515,090	176,031	176,031	-	380,413
(10) Net Nonoperating Assets / (Liabilities)	-	-	-	-	-	-	-

Notes:

- (1) All information provided by Management unless otherwise noted.
- (2) Line item represents interest bearing liability.
- (3) Represents current assets minus current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities.
- (4) Represents current assets minus cash and current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities.
- (5) The sum of all operating cash and cash equivalents.
- (6) The sum of all interest bearing liabilities.
- (7) The sum of all interest bearing liabilities not of Cash and Cash Equivalents.
- (8) Equals Total Assets minus Total Liabilities plus Total Debt.
- (9) Equals Total Assets minus Total Liabilities plus Net Debt.
- (10) The sum of all nonoperating assets and liabilities.
- (11) Reversal of the vehicle inventory write down. See the narrative report for further details.

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Common Size Balance Sheet
As of December 31, 2022

Exhibit 3
(USD)

Line Item (1)	Historical				Adjusted Closing BS (12/31/2022)		
	12/31/2019	12/31/2020	12/31/2021	12/31/2022	Book Value	Fair Market Value Adjustments	Fair Market Value
Assets							
Cash	11.5%	14.5%	4.5%	-1.2%	-1.2%	0.0%	-1.1%
Accounts Receivable	1.0%	1.0%	3.8%	1.8%	1.8%	0.0%	1.7%
Inventories	84.8%	82.4%	87.8%	91.5% (11)	91.5%	100.0%	92.1%
Prepaid Expenses	0.8%	0.2%	0.5%	1.8%	1.8%	0.0%	1.5%
Total Current Assets	97.9%	98.1%	98.4%	93.7%	93.7%	100.0%	94.1%
Leasehold Improvements	0.4%	0.7%	1.7%	3.4%	3.4%	0.0%	3.2%
M&S Equipment	0.4%	0.3%	1.3%	2.6%	2.6%	0.0%	2.4%
Furniture and Fixtures	1.5%	1.2%	1.5%	3.0%	3.0%	0.0%	2.8%
Property, Plant & Equipment, gross	2.3%	2.3%	4.5%	8.0%	9.0%	0.0%	8.4%
less Accumulated Depreciation	-0.2%	-0.4%	-0.9%	-2.7%	-2.7%	0.0%	-2.5%
Property, Plant & Equipment	2.1%	1.9%	3.6%	5.3%	6.3%	0.0%	5.9%
Total Long Term Assets	2.1%	1.9%	3.8%	6.3%	6.3%	0.0%	6.9%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities & Equity							
Accounts Payable	8.3%	5.5%	1.2%	4.7%	4.7%	0.0%	4.4%
(2) Notes Payable - Other	0.0%	0.0%	0.0%	0.6%	0.6%	0.0%	0.5%
Notes Payable - Used Vehicles	75.4%	74.2%	80.4%	84.6%	84.6%	0.0%	78.7%
Interest Payable	0.4%	0.2%	0.3%	0.6%	0.6%	0.0%	0.6%
Salaries, Wages, Commissions Payable	0.8%	0.7%	0.5%	0.0%	0.0%	0.0%	0.0%
Income Taxes Payable	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Payables	4.3%	4.4%	3.2%	3.3%	3.3%	0.0%	3.1%
Other Taxes Payable	0.0%	0.8%	0.4%	1.3%	1.3%	0.0%	1.2%
Sales Tax Payable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Current Liabilities	87.5%	85.7%	86.0%	95.2%	95.2%	0.0%	88.6%
(2) Long Term Debt	0.0%	3.2%	0.0%	5.7%	5.7%	0.0%	5.3%
Total Long Term Liabilities	0.0%	3.2%	0.0%	5.7%	5.7%	0.0%	5.3%
Total Liabilities	87.5%	88.9%	86.0%	101.0%	101.0%	0.0%	93.9%
Common Equity	12.5%	11.1%	14.0%	-1.0%	-1.0%	100.0%	6.1%
Total Equity	12.5%	11.1%	14.0%	-1.0%	-1.0%	100.0%	6.1%
Total Liabilities & Equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
(1)(3) Net Working Capital	10.4%	12.4%	10.4%	-1.0%	-1.0%		6.1%
(1)(4) Cash Free Net Working Capital	-1.1%	-2.1%	5.9%	0.2%	0.2%		7.2%
(1)(5) Total Cash	11.5%	14.5%	4.5%	-1.2%	-1.2%		-1.1%
(1)(6) Total Debt	0.0%	3.2%	0.0%	6.3%	6.3%		5.9%
(1)(7) Net Debt	-11.5%	-11.3%	-4.5%	7.5%	7.5%		6.9%
(1)(8) Value of Invested Capital	12.5%	14.3%	14.0%	5.3%	5.3%		12.0%
(1)(9) Enterprise Value	1.0%	-0.2%	9.5%	6.5%	6.5%		13.1%
(1)(10) Net Nonoperating Assets / (Liabilities)	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%

Notes:

- (1) Common size percentages represent each line item's percentage in proportion to total assets
- (2) Line item represents interest bearing liability.
- (3) Represents current assets minus current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities
- (4) Represents current assets minus cash and current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities
- (5) The sum of all operating cash and cash equivalents.
- (6) The sum of all interest bearing liabilities.
- (7) The sum of all interest bearing liabilities net of Cash and Cash Equivalents
- (8) Equals Total Assets minus Total Liabilities plus Total Debt.
- (9) Equals Total Assets minus Total Liabilities plus Net Debt.
- (10) The sum of all nonoperating assets and liabilities.
- (11) Reversal of the vehicle inventory write down. See the narrative report for further details.

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Income Statement
As of December 31, 2022

Exhibit 4
(USD)

Line Item (1)	Historical			
	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Total Revenue	6,419,214	29,031,330	22,369,945	12,747,332
<i>Revenue Growth %</i>	<i>n/a</i>	<i>209.2%</i>	<i>-14.1%</i>	<i>-43.0%</i>
Cost of Sales	7,536,783	23,676,748	20,205,337	12,366,871
<i>Cost of Sales as a % of Revenue</i>	<i>80.0%</i>	<i>81.6%</i>	<i>90.3%</i>	<i>97.0%</i>
Gross Profit	652,431	2,354,582	2,164,608	380,461
<i>Gross Profit Margin %</i>	<i>10.2%</i>	<i>8.1%</i>	<i>9.7%</i>	<i>3.0%</i>
Office's Compensation	158,369	91,938	-	-
Salaries Salespeople Compensation and Other	163,191	321,488	238,742	123,695
Delivery Expense	(98,687)	(69,616)	(21,163)	(31,604)
Policy Work Vehicles	2,011	6,651	3,000	209
Salaries Supervision	110,337	397,277	434,323	267,674
Salaries Clerical	48,547	119,609	78,230	11,093
Other Salaries and Wages	38,281	116,606	124,943	18,038
Incentives Supervision	11,057	94,390	123,017	10,579
Taxes Payroll	39,218	117,689	88,444	41,841
Employee Benefits	15,202	67,685	25,342	23,378
Office Supplies and Expenses	18,035	14,189	8,710	6,227
Other Supplies	38,692	69,743	35,951	20,661
Advertising	243,352	396,593	392,211	258,148
Advertising Rebates	(91,790)	(251,230)	(173,530)	(105,450)
Policy Work Parts and Service	1,050	4,122	8,002	100
Information Tech Services	25,280	73,295	69,792	97,137
Outside Services Other	58,358	248,359	219,693	114,150
Travel and Entertainment	10,809	10,805	3,300	3,091
Membership, Dues, and Publications	4,893	8,492	13,355	9,629
Legal and Audit Expense	6,674	21,664	7,603	8,671
Telephone	2,120	2,925	3,965	4,528
Training Expense	2,448	8,548	7,131	3,055
Insurance Inventory	10,239	26,659	19,633	18,018
Bad Debt Expense	-	1,480	-	-
Freight, Post, and Shipping	7,898	25,714	21,678	10,449
Rent	54,000	108,000	108,000	108,000
Repairs Real Estate	6,661	4,912	5,847	2,528
Insurance Buildings and Improvements	4,011	10,822	13,261	12,194
Utilities	18,099	26,645	22,765	20,305
Insurance Other	4,781	8,902	12,312	48,504
Taxes Other	11,290	13,826	15,634	1,968
CO Vehicle Expense	10,687	29,153	28,803	7,200
Miscellaneous Expense	15,630	29,217	17,398	1,630
Taxes Real Estate	7,149	14,539	15,699	15,456
Repairs Equipment	2,610	5,649	9,565	-
E-Commerce Advertising Fees	60	6,666	-	-
Contributions	150	20	-	-
Equipment Rental	-	1,307	-	-
Other (Income)	(70,604)	(238,745)	(106,480)	(71,160)
Other Expense	-	1,087	49,072	39,633
Total Operating Expenses	844,436	1,914,598	1,939,913	1,693,689
<i>Total Operating Expenses as a % of Revenue</i>	<i>11.2%</i>	<i>7.4%</i>	<i>8.7%</i>	<i>8.6%</i>
EBITDA	(82,014)	439,779	222,695	(716,228)
<i>EBITDA Margin %</i>	<i>-0.7%</i>	<i>1.7%</i>	<i>1.0%</i>	<i>-5.6%</i>
(2) Depreciation Expense (Book Basis)	8,625	17,301	24,783	23,639
<i>Depreciation Expense (Book Basis) as a % of Revenue</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.2%</i>
EBITA	(70,639)	422,478	197,912	(739,867)
<i>EBITA Margin %</i>	<i>-0.6%</i>	<i>1.6%</i>	<i>0.9%</i>	<i>-5.0%</i>
(2) Amortization Expense (Book Basis)	-	-	-	-
<i>Amortization Expense (Book Basis) as a % of Revenue</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
(2) D&A Expense (Book Basis)	8,625	17,301	24,783	23,639
<i>D&A Expense (Book Basis) as a % of Revenue</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.2%</i>
EBIT	(70,639)	422,478	197,912	(739,867)
<i>EBIT Margin %</i>	<i>-0.6%</i>	<i>1.6%</i>	<i>0.9%</i>	<i>-5.0%</i>
Floor Plan Interest Expense	75,475	181,670	131,790	159,809
Net Interest Expense	-	-	-	2,184
Pre-Tax Income	(146,314)	259,789	66,122	(806,946)
<i>Pre-Tax Margin %</i>	<i>-1.7%</i>	<i>1.0%</i>	<i>0.3%</i>	<i>-7.1%</i>
(3) Capital Expenditures	n/a	29,019	95,404	-
<i>CAPEX as a % of Revenue</i>	<i>n/a</i>	<i>0.1%</i>	<i>0.4%</i>	<i>0.0%</i>

Notes:

- (1) All information provided by Management unless otherwise noted.
- (2) Assumes that book basis serves as a reasonable proxy for tax basis.
- (3) Historical capital expenditures equal gross PP&E in the current year minus gross PP&E in the prior year.

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Common Size Income Statement
As of December 31, 2022

Exhibit 6
(USD)

Line Item (1)	Historical			
	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Total Revenue	100.0%	100.0%	100.0%	100.0%
Cost of Sales	89.5%	91.0%	90.3%	87.0%
Gross Profit	10.5%	9.0%	9.7%	13.0%
Officer's Compensation	1.0%	0.4%	0.0%	0.0%
Salaries Salespeople Compensation and Other	1.0%	1.2%	1.1%	1.0%
Delivery Expense	-0.8%	-0.3%	-0.1%	-0.2%
Policy Work Vehicles	0.0%	0.0%	0.0%	0.0%
Salaries Supervision	1.3%	1.5%	1.8%	2.1%
Salaries Clerical	0.6%	0.4%	0.3%	0.1%
Other Salaries and Wages	0.5%	0.4%	0.6%	0.1%
Incentives Supervision	0.1%	0.4%	0.5%	0.1%
Taxes Payroll	0.6%	0.5%	0.4%	0.3%
Employee Benefits	0.2%	0.3%	0.1%	0.2%
Office Supplies and Expenses	0.2%	0.1%	0.0%	0.0%
Other Supplies	0.5%	0.3%	0.2%	0.2%
Advertising	2.6%	1.5%	1.6%	2.0%
Advertising Rebates	-0.7%	-1.0%	-0.8%	-0.8%
Policy Work Parts and Service	0.0%	0.0%	0.0%	0.0%
Information Tech Services	0.3%	0.3%	0.4%	0.6%
Outside Services Other	0.7%	1.0%	1.0%	0.9%
Travel and Entertainment	0.1%	0.0%	0.0%	0.0%
Membership, Dues, and Publications	0.1%	0.0%	0.1%	0.1%
Legal and Audit Expense	0.1%	0.1%	0.0%	0.1%
Telephone	0.0%	0.0%	0.0%	0.0%
Training Expense	0.0%	0.0%	0.0%	0.0%
Insurance Inventory	0.1%	0.1%	0.1%	0.1%
Bad Debt Expense	0.0%	0.0%	0.0%	0.0%
Freight, Post, and Shipping	0.1%	0.1%	0.1%	0.1%
Rent	0.6%	0.4%	0.5%	0.6%
Repairs Real Estate	0.1%	0.0%	0.0%	0.0%
Insurance Buildings and Improvements	0.0%	0.0%	0.1%	0.1%
Utilities	0.2%	0.1%	0.1%	0.2%
Insurance Other	0.1%	0.0%	0.1%	0.4%
Taxes Other	0.1%	0.1%	0.1%	0.0%
CO Vehicle Expense	0.1%	0.1%	0.1%	0.1%
Miscellaneous Expense	0.2%	0.1%	0.1%	0.0%
Taxes Real Estate	0.1%	0.1%	0.1%	0.1%
Repairs Equipment	0.0%	0.0%	0.0%	0.0%
E-Commerce Advertising Fees	0.0%	0.0%	0.0%	0.0%
Contributions	0.0%	0.0%	0.0%	0.0%
Equipment Rental	0.0%	0.0%	0.0%	0.0%
Other (Income)	-0.6%	-0.6%	-0.5%	-0.6%
Other Expense	0.0%	0.0%	0.2%	0.3%
Total Operating Expenses (SG&A, etc.)	11.2%	7.4%	8.7%	8.6%
EBITDA	-0.7%	1.7%	1.0%	-6.6%
Depreciation Expense (Book Basis)	0.1%	0.1%	0.1%	0.2%
EBITA	-0.6%	1.6%	0.9%	-6.8%
Amortization Expense (Book Basis)	0.0%	0.0%	0.0%	0.0%
D&A Expense (Book Basis)	0.1%	0.1%	0.1%	0.2%
EBIT	-0.6%	1.6%	0.9%	-6.6%
Floor Plan Interest Expense	0.0%	0.0%	0.0%	1.3%
Net Interest Expense	0.0%	0.0%	0.0%	0.0%
Pre-Tax Income	-1.7%	1.6%	0.3%	-7.1%
Capital Expenditures	n/a	0.1%	0.4%	0.0%

Notes:

(1) Common size percentages represent each line item's percentage in proportion to total revenue

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Income Statement Details
As of December 31, 2022

Exhibit 6
(USD)

	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue				
Used	7,509,034	23,847,306	20,520,379	11,949,651
F&I	618,777	1,391,475	1,322,125	797,680
Mechanical	150,288	327,095	250,591	-
Parts & Accessories	141,113	465,452	273,849	-
Total	8,419,212	26,031,328	22,366,944	12,747,331
Gross Profit				
Used	391,856	1,113,005	1,150,481	44,347
F&I	360,501	876,107	811,121	367,532
Mechanical	96,591	246,132	159,407	-
Parts & Accessories	33,472	119,339	40,598	(31,418)
Total	882,420	2,354,583	2,161,607	380,461
Gross Profit %				
Used	5.2%	4.7%	5.6%	0.4%
F&I	58.3%	63.0%	61.3%	46.1%
Mechanical	64.3%	75.2%	63.6%	n/a
Parts & Accessories	23.7%	25.6%	14.8%	n/a
Total	10.5%	9.0%	9.7%	3.0%
Used Units	389	900	651	373
Gross Profit Per Used Units	1,007	1,237	1,767	119

Notes:

(1) Per the dealer financial statements

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Income Statement Normalization Adjustments
As of December 31, 2022

Line Item (1)	Historical 12/31/2019	12/31/2020	12/31/2021	12/31/2022
Total Revenue	-	-	-	-
(2) Cost of Sales	-	-	-	(204,382)
(3) Officer's Compensation	(92,024)	69,689	129,213	120,000
(4) Taxes Payroll	(5,585)	3,848	9,885	9,180
(5) Rent	(12,000)	(24,000)	(24,000)	(24,000)
Total Operating Expenses	(109,609)	49,537	115,098	105,180

Notes:

- (1) Negative entries reflect a decrease in the respective line item, while a positive entry reflects an increase in said line item.
- (2) Reversal of the vehicle inventory write down. See the narrative report for further details.
- (3) The partners were not paid a salary in 2021 and 2022. We have estimated the replacement cost for a third party to manage the store would be \$10,000 per month plus 10% of the pre-tax profits. The pre-tax profits were calculated as the normalized pre-tax income (Exhibit 8) excluding the 10% bonus payment. The 2019 calculation is based on 6 months as the store opened in July 2019.
- (4) Payroll tax adjustment of 7.65% in relation to the adjustments of Officer's Compensation. Includes consideration for annual FICA limit.
- (5) Rent is paid to a related party. Per discussions with Rod Slick, the estimated value of the property is \$1.2 million. Based on professional judgement, we have estimated the annual market rent based on a 7% rent factor (0.58% monthly). The 2019 calculation is based on 6 months as the store opened in July 2019.

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Normalized Income Statement
As of December 31, 2022

Exhibit 6
(USD)

Line Item (\$)	Historical 12/31/2019	12/31/2020	12/31/2021	12/31/2022
Total Revenue	8,419,214	29,031,330	22,369,845	12,747,332
Revenue Growth %	n/a	209.2%	-14.1%	-43.0%
Cost of Sales	7,536,793	23,679,745	20,205,337	12,182,489
Cost of Sales as a % of Revenue	89.5%	81.6%	90.3%	95.4%
Gross Profit	882,421	2,354,585	2,161,508	664,843
Gross Profit Margin %	10.5%	8.1%	9.7%	4.6%
Officers Compensation	84,348	181,827	129,213	120,000
Salaries Salespeople Compensation and Other	183,181	321,488	238,742	123,685
Delivery Expense	(86,697)	(89,518)	(21,183)	(31,604)
Policy Work Vehicles	2,811	8,851	3,000	265
Salaries Supervision	110,337	397,277	434,323	267,874
Salaries Clerical	48,547	110,609	78,239	11,033
Other Salaries and Wages	38,281	115,998	124,343	16,038
Incentives Supervision	11,057	84,300	123,017	10,579
Taxes Payroll	33,633	121,717	93,329	50,721
Employee Benefits	15,202	67,835	25,342	23,378
Office Supplies and Expenses	18,035	14,189	8,710	8,227
Other Supplies	38,692	69,743	35,651	20,561
Advertising	243,352	399,593	382,211	269,148
Advertising Rebates	(91,790)	(251,230)	(173,630)	(108,496)
Policy Work Parts and Service	1,050	4,122	9,002	100
Information Tech Services	25,288	73,285	88,782	97,137
Outside Services Other	68,358	248,359	218,933	114,160
Travel and Entertainment	10,609	10,805	3,300	3,691
Membership, Dues, and Publications	4,893	8,482	13,355	9,629
Legal and Audit Expense	8,874	21,884	7,603	8,871
Telephone	2,120	2,925	3,895	4,823
Training Expense	2,448	5,848	7,131	3,056
Insurance Inventory	10,238	28,859	19,933	18,018
Bad Debt Expense	-	1,469	-	-
Freight, Post, and Shipping	7,698	25,714	21,878	10,449
Rent	42,000	84,000	84,000	84,000
Repairs Real Estate	6,881	4,912	5,547	2,628
Insurance Buildings and Improvements	4,011	10,822	13,291	12,184
Utilities	16,099	26,845	22,755	20,305
Insurance Other	4,751	8,902	12,312	48,604
Taxes Other	11,299	13,829	18,634	1,968
CO Vehicle Expense	10,887	26,153	28,803	7,200
Miscellaneous Expense	15,830	26,217	17,398	1,930
Taxes Real Estate	7,149	14,536	15,899	15,458
Repairs Equipment	2,810	5,849	9,565	-
E-Commerce Advertising Fees	60	5,886	-	-
Contributions	150	20	-	-
Equipment Rental	-	1,307	-	-
Other (Income)	(70,804)	(238,745)	(108,480)	(71,160)
Other Expense	-	1,097	48,072	36,635
Total Operating Expenses	834,828	1,884,343	2,654,611	1,290,849
Total Operating Expenses as a % of Revenue	9.9%	6.5%	12.2%	9.4%
EBITDA	47,693	390,242	196,997	(616,006)
EBITDA Margin %	0.6%	1.5%	0.9%	-4.8%
(2) Depreciation Expense (Book Basis)	8,825	17,301	24,783	23,639
Depreciation Expense (Book Basis) as a % of Revenue	0.1%	0.1%	0.1%	0.2%
EBITA	38,770	372,941	62,214	(839,645)
EBITA Margin %	0.5%	1.4%	0.4%	-6.6%
(2) Amortization Expense (Book Basis)	-	-	-	-
Amortization Expense (Book Basis) as a % of Revenue	0.0%	0.0%	0.0%	0.0%
(2) D&A Expense (Book Basis)	8,825	17,301	24,783	23,639
D&A Expense (Book Basis) as a % of Revenue	0.1%	0.1%	0.1%	0.2%
EBIT	38,770	372,941	62,214	(839,645)
EBIT Margin %	0.5%	1.4%	0.4%	-6.6%
Floor Plan Interest Expense	75,475	181,879	131,780	159,809
Net Interest Expense	-	-	-	2,184
Pre-Tax Income	38,770	372,941	62,214	(841,829)
Pre-Tax Margin %	0.5%	1.4%	0.4%	-6.6%
(3) Capital Expenditures	n/a	28,018	95,494	-
CAPEX as a % of Revenue	n/a	0.1%	0.4%	0.0%

Notes:

- (1) All information provided by Management unless otherwise noted.
- (2) Assumes that book basis serves as a reasonable proxy for tax basis.
- (3) Historical capital expenditures equal gross PP&E in the current year minus gross PP&E in the prior year.

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Normalized Common Size Income Statement
As of December 31, 2022

Exhibit 9
(USD)

Line Item (1)	Historical 12/31/2019	12/31/2020	12/31/2021	12/31/2022
Total Revenue	100%	100%	100%	100%
Cost of Sales	89.5%	91.0%	90.3%	85.4%
Gross Profit	10.5%	9.0%	9.7%	14.6%
Officer's Compensation	0.8%	0.8%	0.6%	0.9%
Salaries Salespeople Compensation and Other	1.9%	1.2%	1.1%	1.0%
Delivery Expense	-0.8%	-0.3%	-0.1%	-0.2%
Policy Work Vehicles	0.0%	0.0%	0.0%	0.0%
Salaries Supervision	1.3%	1.5%	1.9%	2.1%
Salaries Clerical	0.6%	0.4%	0.3%	0.1%
Other Salaries and Wages	0.5%	0.4%	0.0%	0.1%
Incentives Supervision	0.1%	0.4%	0.5%	0.1%
Taxes Payroll	0.4%	0.5%	0.4%	0.4%
Employee Benefits	0.2%	0.2%	0.1%	0.2%
Office Supplies and Expenses	0.2%	0.1%	0.0%	0.0%
Other Supplies	0.8%	0.3%	0.2%	0.2%
Advertising	2.8%	1.5%	1.5%	2.0%
Advertising Rebates	-0.7%	-1.0%	-0.8%	-0.8%
Policy Work Parts and Service	0.0%	0.0%	0.0%	0.0%
Information Tech Services	0.3%	0.3%	0.4%	0.8%
Outside Services Other	0.7%	1.0%	1.0%	0.9%
Travel and Entertainment	0.1%	0.0%	0.0%	0.0%
Membership, Dues, and Publications	0.1%	0.0%	0.1%	0.1%
Legal and Audit Expense	0.1%	0.1%	0.0%	0.1%
Telephone	0.0%	0.0%	0.0%	0.0%
Training Expense	0.0%	0.0%	0.0%	0.0%
Insurance Inventory	0.1%	0.1%	0.1%	0.1%
Bad Debt Expense	0.0%	0.0%	0.0%	0.0%
Freight, Post, and Shipping	0.1%	0.1%	0.1%	0.1%
Rent	0.5%	0.3%	0.4%	0.7%
Repairs Real Estate	0.1%	0.0%	0.0%	0.0%
Insurance Buildings and Improvements	0.0%	0.0%	0.1%	0.1%
Utilities	0.2%	0.1%	0.1%	0.2%
Insurance Other	0.1%	0.0%	0.1%	0.4%
Taxes Other	0.1%	0.1%	0.1%	0.0%
CO Vehicle Expense	0.1%	0.1%	0.1%	0.1%
Miscellaneous Expense	0.2%	0.1%	0.1%	0.0%
Taxes Real Estate	0.1%	0.1%	0.1%	0.1%
Repairs Equipment	0.0%	0.0%	0.0%	0.0%
E-Commerce Advertising Fees	0.0%	0.0%	0.0%	0.0%
Contributions	0.0%	0.0%	0.0%	0.0%
Equipment Rental	0.0%	0.0%	0.0%	0.0%
Other (Income)	-0.5%	-0.9%	-0.5%	-0.6%
Other Expense	0.0%	0.0%	0.2%	0.3%
Total Operating Expenses (SG&A, etc.)	8.9%	7.5%	9.2%	9.4%
EBITDA	0.6%	1.5%	0.5%	-4.8%
(2) Depreciation Expense (Book Basis)	0.1%	0.1%	0.1%	0.2%
EBITA	0.5%	1.4%	0.4%	-5.0%
(2) Amortization Expense (Book Basis)	0.0%	0.0%	0.0%	0.0%
(2) O&A Expense (Book Basis)	0.1%	0.1%	0.1%	0.2%
EBT	0.5%	1.4%	0.4%	-5.0%
Floor Plan Interest Expense	0.9%	0.6%	0.6%	1.3%
Net Interest Expense	0.0%	0.0%	0.0%	0.0%
Pre-Tax Income	0.5%	1.4%	0.4%	-5.0%
Capital Expenditures	n/a	0.1%	0.4%	0.0%

Notes:

- (1) Common size percentages represent each line item's percentage in proportion to total revenue
- (2) Assumes that book basis serves as a reasonable proxy for tax basis.

withheld

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Financial Statement Analysis
As of December 31, 2022

Exhibit 10
(USD)

Line Item	212 Motors Florence LLC				Average
	12/31/2019	12/31/2020	12/31/2021	12/31/2022	3-Year
(1) Cash	11.5%	14.5%	4.5%	-1.2%	6.0%
(1) Accounts Receivable	1.0%	1.0%	3.6%	1.6%	2.1%
(1) Inventories	84.6%	82.4%	87.6%	91.5%	87.2%
(1) Property, Plant & Equipment, gross	2.3%	2.3%	4.5%	9.0%	5.3%
(1) Property, Plant & Equipment	2.1%	1.8%	3.6%	6.3%	3.9%
(1) Accounts Payable	6.3%	5.5%	1.2%	4.7%	3.6%
(1) Total Debt	0.0%	3.2%	0.0%	6.3%	3.2%
(2)(3) Cash Free Net Working Capital	-0.7%	-0.5%	1.4%	0.0%	0.3%
(2)(3) Capital Expenditures	n/a	0.1%	0.4%	0.0%	0.2%
(2)(3) Gross Profit Margin %	10.5%	9.0%	9.7%	4.6%	7.6%
(2)(3) EBITDA Margin %	0.6%	1.5%	0.5%	-4.8%	-1.0%
(2)(3) EBIT Margin %	0.5%	1.4%	0.4%	-5.0%	-1.1%
(3) Return on Assets %	0.5%	4.2%	1.1%	-17.3%	-4.0%
(3) Asset Turnover Ratio	1.6	4.0	4.1	4.7	4.3
(3) Fixed Asset Turnover Ratio	73.8	210.6	115.1	74.7	133.5
(3) Inventory Turnover Ratio	1.7	4.4	4.2	4.9	4.5
(3) Return on Equity %	4.2%	37.6%	7.0%	1760.3%	608.6%
(3) Debt to Equity %	0.0%	29.2%	0.0%	-649.7%	-206.9%
(3) Interest Coverage Ratio	n/a	n/a	n/a	-292.9	-292.9
Current Ratio	1.1	1.1	1.1	1.0	1.1
Quick Ratio	0.2	0.2	0.1	0.0	0.1

Notes:

- (1) Calculated as a percentage of total assets.
- (2) Calculated as a percentage of total revenue.
- (3) Income statement items are represented on a normalized basis as presented in Exhibit 8.

withheld

212 Motors Florence LLC Exhibit 11
Valuation of 212 Motors Florence LLC (USD)
Guideline Public Company (GPC) Financial Statement Analysis
As of December 31, 2022

Line Item (1) (2)	Guideline Public Companies					75th Percentile	Median	Average	25th Percentile
	LAD	AN	GPI	ABG	SAH				
(3) Cash	1.7%	4.7%	0.3%	1.0%	3.5%	3.5%	1.0%	2.4%	1.7%
(3) Accounts Receivable	7.1%	3.8%	2.3%	1.1%	7.5%	7.1%	3.8%	4.3%	2.3%
(3) Inventories	23.5%	18.7%	19.0%	10.5%	24.8%	23.5%	19.7%	19.5%	19.0%
(3) Property, Plant & Equipment, gross	30.8%	60.6%	45.1%	n/a	59.5%	59.8%	52.3%	49.0%	41.5%
(3) Property, Plant & Equipment	27.3%	40.4%	38.5%	27.5%	42.5%	40.4%	36.5%	34.9%	27.5%
(3) Accounts Payable	1.7%	3.7%	7.5%	8.0%	2.9%	7.5%	3.7%	4.7%	2.9%
(3) Total Debt	49.7%	54.9%	43.0%	44.6%	58.5%	54.9%	49.7%	50.2%	44.6%
(4) Cash Free Net Working Capital (LTM)	12.3%	5.0%	8.0%	5.3%	7.8%	7.8%	8.0%	7.3%	5.3%
(4) 3-Year Cash Free Net Working Capital Average	15.8%	11.1%	10.9%	13.6%	12.3%	13.6%	12.3%	12.7%	11.1%
(4) 5-Year Cash Free Net Working Capital Average	17.7%	13.5%	12.6%	15.2%	13.8%	15.2%	13.8%	14.6%	13.5%
(4) Capital Expenditures (LTM)	1.0%	1.1%	0.2%	0.6%	-0.5%	1.0%	0.6%	0.5%	0.2%
(4) 3-Year Capital Expenditures Average	1.1%	0.8%	0.8%	0.7%	0.0%	0.8%	0.8%	0.7%	0.7%
(4) 5-Year Capital Expenditures Average	1.2%	1.2%	0.8%	0.7%	0.8%	1.2%	0.8%	0.9%	0.8%
(5) Return on Assets %	9.7%	13.4%	11.3%	10.1%	7.8%	11.3%	10.1%	10.4%	9.7%
(5) Asset Turnover Ratio	2.2	2.8	2.7	2.0	2.8	2.8	2.7	2.5	2.2
(5) Fixed Asset Turnover Ratio	7.7	7.1	7.4	7.1	6.8	7.4	7.1	7.2	7.1
(5) Inventory Turnover Ratio	7.8	11.4	11.8	15.4	9.4	11.8	11.4	11.1	9.4
(5) Return on Equity %	27.1%	81.6%	37.4%	32.5%	30.7%	37.4%	32.5%	37.8%	30.7%
(5) Debt to Equity %	145.9%	241.7%	133.1%	141.8%	279.7%	241.7%	145.9%	163.5%	141.8%
(5) Interest Coverage Ratio	8.7	11.3	10.7	7.7	4.8	10.7	8.7	8.6	7.7

Notes:
(1) Balance sheet items represented by most recent fiscal quarter reported.
(2) Income statement items represented by trailing twelve months reported.
(3) Calculated as a percentage of total assets.
(4) Calculated as a percentage of total revenue.
(5) Ratios calculated as of most recent reported fiscal quarter as of Valuation Date.

with

212 Motors Finance LLC
 Valuation of 212 Motors Finance LLC
 Outside Public Company Database
 As of December 31, 2022

Table 1
 (USD)

Ticker	Company Name (1)	EQUITY			Profitability				Leverage			Liquidity		Growth				
		Total Revenue (2)	Total Assets (4)	Book Value of Equity (5)	Gross Profit Margin (6)	EBITDA Margin (7)	EBITA Margin (8)	EBT Margin (9)	Debt to Asset (10)	Cost of Borrowings (11)	Interest Coverage (12)	Current Ratio (13)	Quick Ratio (14)	3-Year Revenue CAGR (15)	LFY Revenue Growth (7)	RFY Revenue Growth (7)	3-Year EBITDA CAGR (16)	
LAD	Lowe's Motors, Inc.	27,200.9	14,074.3	8,023.2	18.8%	8.1%	7.8%	7.8%	40.7%	3.0%	0.7	1.7	0.4	30.9%	74.0%	34.4%	54.0%	
AAI	AutoNation, Inc.	20,070.3	8,415.3	2,232.2	19.7%	8.5%	7.8%	7.8%	34.9%	3.1%	11.3	1.0	0.4	8.1%	20.7%	3.9%	31.5%	
GPH	Group 1 Automotive, Inc.	15,842.8	8,251.5	2,214.1	18.0%	7.5%	7.0%	7.0%	43.0%	3.4%	10.7	1.0	0.3	11.8%	27.2%	19.9%	23.2%	
ABG	Aebury Automotive Group, Inc.	14,332.7	7,816.3	2,842.9	20.2%	8.8%	8.4%	8.4%	44.0%	3.9%	7.7	1.9	0.4	23.9%	37.0%	28.9%	53.5%	
SAH	Scoti Automotive, Inc.	13,505.0	4,828.3	1,103.9	18.7%	5.4%	4.0%	4.0%	50.5%	3.7%	4.6	1.0	0.3	10.2%	20.9%	14.8%	21.4%	
	Mercury	27,200.9	14,074.3	8,023.2	20.2%	8.8%	8.4%	8.4%	50.6%	3.0%	11.3	1.7	0.4	30.9%	74.0%	34.4%	54.0%	
	75th Pericote	23,070.3	8,415.3	2,642.9	19.7%	8.5%	7.8%	7.8%	34.9%	3.7%	10.7	1.0	0.4	20.9%	37.9%	24.4%	53.5%	
	Esage	19,000.0	8,477.0	2,540.0	19.8%	7.7%	7.1%	7.1%	30.7%	3.3%	8.0	1.3	0.4	17.9%	35.0%	24.2%	30.2%	
	Meridian	18,042.8	7,816.3	2,232.2	18.0%	8.1%	7.0%	7.0%	42.7%	3.4%	9.7	1.0	0.4	11.8%	27.2%	19.9%	23.2%	
	25th Pericote	14,332.7	8,251.5	2,214.1	18.0%	7.5%	7.0%	7.0%	43.0%	3.1%	7.7	1.0	0.3	10.2%	20.9%	14.8%	21.4%	
	Mercury	13,505.0	4,828.3	1,103.9	18.7%	5.4%	4.0%	4.0%	50.5%	3.7%	4.6	1.0	0.3	8.1%	20.7%	3.9%	31.5%	
	212 Motors Finance LLC (1)	15.7	8.8	8.3	4.2%	4.2%	4.2%	4.2%	8.9%	8.9% (1)	239.3	8.1	8.3	18.8%	43.0%	27.0	33.3%	
	212 Motors Finance LLC Ratio	0.78	0.76	0.78	0.78	0.76	0.76	0.76	0.78	1.70	0.78	3.78	0.78	3.78	0.78	0.78	0.78	0.78

12321
 (1) Source: CapitalIQ
 (2) Values in millions of USD
 (3) Based on the most recent trailing twelve month income statement as of the Valuation Date
 (4) Based on the most recent quarterly balance sheet as of the Valuation Date
 (5) Based on the most recent quarterly income statement as of the Valuation Date
 (6) If data is available, calculated as 2022 Total Assets / 2019 Total Assets * 100 - 1
 (7) Expected revenue growth derived from the most comparable publicly traded peer (RFY) revenue, as reported by CapitalIQ
 (8) 212 Motors Finance LLC's financial information based on the unaudited income statement found in Exhibit 8 and the audited 12/31/22 balance sheet found in Exhibit 3
 (9) Based upon 212 Motors Finance LLC pro-forma cost of debt as estimated in Exhibit 13

withum

Exhibit

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Weighted Average Cost of Capital (WACC)
As of December 31, 2022

Cost of Equity		Cost of Debt		WACC	
Risk Free Rate (1)	4.14%	Pretax Cost of Debt (7)	5.87%	Weight of Equity (10)	78.5%
+ Beta (2)	n/a	+ Debt Premium (6)	0.0%	Equity Contribution	19.8%
+ Equity Risk Premium (3)	6.22%	+ Sovereign Spread (8)	0.0%	Weight of Debt (10)	21.5%
+ Size Premium (4)	4.80%	× (1 - Tax Rate) (9)	73.0%	Debt Contribution	0.9%
+ Country Risk Premium (5)	0.0%	□ After-Tax Cost of Debt	4.3%	WACC (rounded)	20.5%
+ Company Specific Risk Premium (6)	10.0%				
□ Cost of Equity	25.2%				

Notes:

- (1) Based upon the United States Treasury Constant Maturity - 20 Year Rate as of the Valuation Date, sourced from Capital IQ.
- (2) No beta was selected since the Build-Up Method was employed.
- (3) Based upon the Supply-Side Equity Risk Premium as published by the Kroll Cost of Capital Navigator.
- (4) Based on the historical incremental return on similar sized stocks as published by the Kroll Cost of Capital Navigator. Specifically, we selected decile 10.
- (5) No sovereign risk premium or discount are applied as 212 Motors Florence LLC operates primarily within developed economies.
- (6) Represents all other nonsystematic and forecast risks specific to 212 Motors Florence LLC, as estimated by Withum.
- (7) Based upon the yield on the Moody's Bond Yield Avg for Baa rated corporate bonds as of the Valuation Date, sourced from Capital IQ.
- (8) No sovereign risk premium or discount are applied as 212 Motors Florence LLC operates primarily within developed economies.
- (9) The statutory tax rate used was based upon KPMG's Corporate and Indirect Tax Rate Survey.
- (10) Capitalization structure determined from the median Total Debt/TC of Microcap Companies (5-year average), as reported by the Kroll Cost of Capital Navigator for 2022.

212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Capitalized Cash Flow Method
As of December 31, 2022

Exhibit 1
(USD)

Line Item (1)	Historical 12/31/2019	12/31/2020	12/31/2021	12/31/2022	Terminal Value
Total Revenue	8,419,214	26,031,330	22,366,945	12,747,332	23,283,041
Revenue Growth %	n/a	209.2%	-14.1%	-43.0%	82.7%
Weight (%)	0.0%	25.0%	75.0%	0.0%	
EBITDA	47,595	380,242	108,987	(616,006)	170,795
EBITDA Margin %	0.6%	1.5%	0.5%	-4.8%	0.7%
Weight (%)	0.0%	25.0%	75.0%	0.0%	
Less: D&A Expense (Book Basis)	8,825	17,301	24,783	23,639	-
EBIT	38,770	372,941	82,214	(639,645)	170,795
EBIT Margin %	0.5%	1.4%	0.4%	-5.0%	0.7%
Income Taxes	10,488	100,694	22,198	(172,704)	46,115
(2) Income Tax Rate %	27.0%	27.0%	27.0%	27.0%	27.0%
Net Operating Profit After Tax (NOPAT)	28,302	272,247	60,016	(466,941)	124,680
NOPAT Margin %	0.3%	1.0%	0.3%	-3.7%	0.5%
(3) Plus: D&A Expense (Book Basis)	8,825	17,301	24,783	23,639	-
D&A Expense (Book Basis) as a % of Revenue	0.1%	0.1%	0.1%	0.2%	0.0%
(4) Less: (Increases)/Plus: Decreases in Cash Free Net Working Capital	n/a	76,928	(457,089)	315,419	-
Cash Free Net Working Capital % of Revenue	-0.7%	-0.5%	1.4%	0.0%	0.0%
Cash Free Net Working Capital	(59,372)	(138,300)	320,789	5,370	-
(3) Less: Capital Expenditures	n/a	(28,016)	(95,494)	-	-
CAPEX as a % of Revenue	n/a	-0.1%	-0.4%	0.0%	0.0%
Free Cash Flow to the Firm	n/a	340,460	(467,784)	(127,883)	124,680
Weighted Free Cash Flow to the Firm					124,680
Times: Long-Term Growth Rate					103%
Long-Term Free Cash Flow to the Firm					128,421
Capitalization Rate (20.5% - 3.0%)					17.5%
(5) Capitalized Cash Flow					733,933
(6) Plus: Excess / (Deficient) Net Working Capital					209,752
Business Enterprise Value (Controlling, Rounded)					944,000

Notes:

- (1) All information provided by Management unless otherwise noted.
- (2) Based on the statutory tax rates provided by KPMG's Corporate and Indirect Tax Rate Survey (United States).
- (3) Depreciation and capital expenditures were estimated at 0% of revenues due to the minimal historical capital expenditures and discussions with Management regarding the lack of future capital expenditures.
- (4) The Incremental Cash Free Net Working Capital for the terminal period was estimated based upon a normalized working capital of 0.0% as a percentage of revenue multiplied by the selected long-term growth rate of 3.0%.
- (5) Calculated using the Gordon growth model with a long-term growth rate of 3.0%.
- (6) The estimated excess/(deficient) working capital represents the actual working capital less the amount used to calculate the free cash flow to the firm.

212 Motors Finance LLC
 Attention: Public Company Business Development Capital IQ
 As of December 31, 2022

Light Motors, Inc.

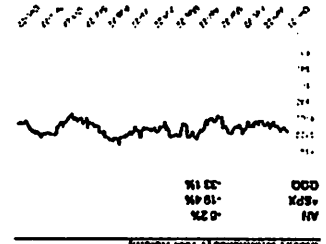
Light Motors, Inc. operates as an automotive retailer. The company operates through Domestic, Import, and Luxury segments. It offers new and used vehicles, vehicle financing services, warranties, insurance contracts, and vehicle and parts. The company also provides services such as vehicle body and parts for the new vehicles under the Domestic and Import segments. Light Motors, Inc. was founded in 1986 and is headquartered in Macleod, Oregon.

Year	Revenue	EBITDA	Margin %	Net Income
12/31/2022	20,107.0	2,128.0	7.0%	1,351.0
12/31/2021	22,031.7	1,811.9	7.9%	1,000.1
12/31/2020	13,126.5	780.0	0.1%	470.3
12/31/2019	12,972.7	582.5	4.6%	271.5

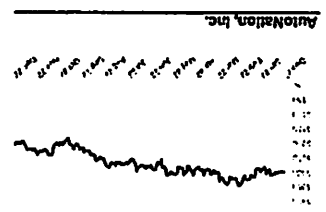
Year	Revenue	EBITDA	Margin %	Net Income
12/31/2022	26,855.0	2,203.0	8.2%	1,377.4
12/31/2021	25,844.0	2,076.5	8.0%	1,273.0
12/31/2020	20,380.0	1,177.4	5.8%	261.0
12/31/2019	21,325.7	983.8	4.6%	450.0

AutoNation, Inc. operates as an automotive retailer. The company operates through three segments: Domestic, Import, and Premium. It offers a range of automotive products and services, including new and used vehicles, and parts and accessories. AutoNation, Inc. was founded in 1991 and is headquartered in Fort Lauderdale, Florida.

Year	Revenue	EBITDA	Margin %	Net Income
12/31/2022	21,325.7	2,076.5	9.7%	1,377.4
12/31/2021	20,380.0	1,177.4	5.8%	261.0
12/31/2020	20,380.0	1,177.4	5.8%	261.0
12/31/2019	21,325.7	983.8	4.6%	450.0



AutoNation, Inc.
 Ticker: AN
 Exchange: NYSE
 Year Founded: 1991
 Industry: Automobile Retail
 Employees: 21,600
 Stock Performance (1 Year Return): +5.2%



Light Motors, Inc.
 Ticker: LMD
 Exchange: NYSE
 Year Founded: 1986
 Industry: Automobile Retail
 Employees: 21,878
 Stock Performance (1 Year Return): -21.1%

withum

212 Motors Finance LLC
 Valuation of 212 Motors Finance LLC
 Qualtrics Public Company Business Operations Capital IQ
 As of December 31, 2022

Exhibit 13
 (USD Millions)

Group 1 Automotive, Inc.

Tickler: GPI
 Exchange: NYSE
 Year Founded: 1995
 Industry: Automotive Retail
 Employees: 15,481

Stock Performance (1 Year Return)

GPI -7.6%
 ^SPX -19.4%
 QQQ -33.1%



Business Description

Group 1 Automotive, Inc., through its subsidiaries, operates in the automotive retail industry in the United States and the United Kingdom. The company sells new and used cars, light trucks, and vehicle parts, as well as service and insurance contracts, arranges related vehicle financing, and offers automotive maintenance and repair services. Group 1 Automotive, Inc. was incorporated in 1995 and is headquartered in Houston, Texas.

Line Item	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue	11,597.8	10,600.2	13,481.9	16,222.1
Growth %	n/a	-8.0%	27.2%	20.3%
EBITDA	467.9	596.7	676.4	1,162.1
Margin %	4.0%	5.6%	7.2%	7.3%
Net Income	174.0	266.5	552.1	751.5
Margin %	1.5%	2.7%	4.1%	4.6%

Asbury Automotive Group, Inc.

Tickler: ASG
 Exchange: NYSE
 Year Founded: 1995
 Industry: Automotive Retail
 Employees: 13,000

Stock Performance (1 Year Return)

ASG 3.0%
 ^SPX -19.4%
 QQQ -33.1%



Business Description

Asbury Automotive Group, Inc., together with its subsidiaries, operates as an automotive retailer in the United States. It offers a range of automotive products and services, including new and used vehicles, and vehicle repair and maintenance services, replacement parts, and collision repair services. The company also provides finance and insurance products, including arranging vehicle financing through third parties, and aftermarket products such as extended service contracts, guaranteed asset protection debt cancellation, prepaid maintenance, and disability and accident insurance. Asbury Automotive Group, Inc. was founded in 1995 and is based in Dulon, Georgia.

Line Item	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue	7,210.3	7,131.0	9,837.7	15,433.0
Growth %	n/a	-1.1%	37.0%	50.0%
EBITDA	370.9	444.8	633.2	1,341.0
Margin %	5.1%	6.2%	6.5%	8.7%
Net Income	184.4	254.4	532.4	897.3
Margin %	2.6%	3.6%	5.4%	6.0%

with

312 Motors Finance LLC
 Valuation of 312 Motors Finance LLC
 Guideline Public Company Business Descriptions Capital IQ
 As of December 31, 2022

Exhibit 18
 (USD Millions)

Sonic Automotive, Inc.

Business Description

Ticker: SAH
 Exchange: NYSE
 Year Founded: 1997
 Industry: Automobile Retail
 Employees: 10,300

Sonic Automotive, Inc. operates as an automotive retailer in the United States. It operates in three segments, Franchised Dealerships, EchoPark, and Powersports. The Franchised Dealerships segment is involved in the sale of new and used cars and light trucks, and replacement parts, provision of vehicle maintenance, manufacturer warranty repair, and part and collision repair services; and arrangement of extended warranties, service contracts, financing, insurance, and other aftermarket products for its guests. The EchoPark segment sells used cars and light trucks, and arranges finance and insurance product sales for its guests in pre-owned vehicle specialty retail locations. The Powersports Segment sells new and used powersports vehicles, such as motorcycles, and personal watercraft and all-terrain vehicles; and offers finance and insurance services. Sonic Automotive, Inc. was incorporated in 1997 and is based in Charlotte, North Carolina.

Stock Performance (1 Year Return)

SAH -0.4%
 ^SPX -19.4%
 OQQ -33.1%



Line Item	12/31/2018	12/31/2020	12/31/2021	12/31/2022
Revenue	10,454.3	9,787.0	12,305.4	14,001.1
Growth %	n/a	-6.0%	26.6%	12.6%
EBITDA	418.4	391.5	635.3	748.9
Margin %	4.0%	4.0%	5.1%	5.3%
Net Income	144.1	(51.4)	348.9	68.5
Margin %	1.4%	-0.5%	2.8%	0.5%

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212 Motors Florence LLC
Valuation of 212 Motors Florence LLC
Historical and Forecasted National Economic Growth Rates
As of December 31, 2022

Exhibit 16

Period	Historical Real GDP Growth (1)(2)	Historical Inflation Growth (CPI) (1)(2)	Historical Nominal GDP Growth (1)(2)	Forecasted Real GDP Growth (3)(4)	Forecasted Inflation Growth (CPI) (3)(4)	Forecasted Nominal GDP Growth (5)
6/30/2008	1.4%	4.9%	3.2%	2.8%	2.5%	5.4%
12/31/2008	-2.6%	0.0%	-0.7%	2.7%	2.4%	5.2%
6/30/2009	-4.0%	-1.3%	-3.3%	2.7%	2.4%	5.2%
12/31/2009	0.1%	2.8%	0.3%	2.8%	2.4%	5.3%
6/30/2010	2.9%	1.1%	4.2%	2.9%	2.5%	5.5%
12/31/2010	2.8%	1.4%	4.5%	2.8%	2.5%	5.4%
6/30/2011	1.7%	3.5%	3.9%	2.7%	2.4%	5.2%
12/31/2011	1.5%	3.1%	3.5%	2.7%	2.4%	5.2%
6/30/2012	2.4%	1.7%	4.2%	2.7%	2.4%	5.2%
12/31/2012	1.6%	1.8%	3.6%	2.6%	2.4%	5.1%
6/30/2013	1.5%	1.7%	3.2%	2.6%	2.5%	5.2%
12/31/2013	3.0%	1.5%	4.7%	2.6%	2.3%	5.0%
6/30/2014	2.7%	2.1%	4.7%	2.8%	2.3%	4.9%
12/31/2014	2.7%	0.7%	4.2%	2.6%	2.3%	4.9%
6/30/2015	3.3%	0.2%	4.3%	2.5%	2.2%	4.8%
12/31/2015	2.1%	0.6%	2.9%	2.3%	2.3%	4.7%
6/30/2016	1.5%	1.1%	2.4%	2.2%	2.3%	4.6%
12/31/2016	2.2%	2.1%	3.5%	2.2%	2.3%	4.6%
6/30/2017	2.3%	1.6%	3.9%	2.2%	2.3%	4.6%
12/31/2017	3.0%	2.1%	5.0%	2.2%	2.3%	4.6%
6/30/2018	3.3%	2.6%	5.9%	2.2%	2.3%	4.6%
12/31/2018	2.1%	2.0%	4.4%	2.1%	2.2%	4.3%
6/30/2019	2.2%	1.6%	3.9%	2.1%	2.3%	4.4%
12/31/2019	3.2%	2.3%	4.7%	2.0%	2.2%	4.3%
6/30/2020	-7.5%	0.7%	-6.8%	2.2%	2.0%	4.2%
12/31/2020	-1.1%	1.3%	0.6%	2.2%	2.2%	4.5%
6/30/2021	12.0%	5.3%	17.0%	2.2%	2.5%	4.8%
12/31/2021	5.4%	7.2%	11.9%	2.1%	2.4%	4.6%
6/30/2022	1.9%	6.8%	8.7%	2.1%	2.5%	4.7%
12/31/2022	0.7%	6.4%	7.1%	1.9%	2.5%	4.5%
Mean	1.8%	2.4%	4.0%	2.4%	2.4%	4.8%
Median	2.1%	1.7%	4.0%	2.4%	2.4%	4.8%

Notes:
(1) Source: Cephal IQ
(2) Year over year growth
(3) Source: Livingston Survey
(4) 10-Year forecast
(5) Calculated as ((1+Real GDP)*(1+CPI))-1

212 Motors Florence LLC
 National Economic Indicators
 As of December 31, 2022

Period (1)	1-Year U.S. Treasury Bond	10-Year U.S. Treasury Bond	U.S. Treasury Bond Spread	Income Per Dollar	Unemployment Rate	WTI Crude Oil	Leading Indicators Index (LEI) (2)	Consumer Confidence Index (CCI) (3)	Business Conditions Index
6/30/2016	0.45%	1.68%	1.04%	43.480	4.9%	48.70	89.9	87.4	45.4
9/30/2016	0.59%	1.60%	1.01%	43.845	4.7%	44.53	100.4	103.5	49.8
12/31/2016	0.58%	2.45%	1.60%	43.845	4.7%	48.01	100.4	113.3	63.8
3/31/2017	1.03%	2.40%	1.37%	44.233	4.7%	48.01	102.5	117.3	59.5
6/30/2017	1.31%	2.33%	1.02%	44.878	4.3%	43.01	103.8	124.9	56.5
9/30/2017	1.44%	2.11%	1.07%	44.847	4.4%	42.5	102.5	124.9	56.5
12/31/2017	1.76%	2.40%	0.64%	45.050	4.1%	50.68	104.8	120.6	49.7
3/31/2018	2.08%	2.74%	0.69%	45.458	4.0%	65.80	109.2	127.0	54.0
6/30/2018	2.33%	2.85%	0.52%	45.848	4.0%	68.02	110.6	128.4	59.0
9/30/2018	2.59%	3.05%	0.45%	46.257	3.7%	70.60	112.1	135.3	72.5
12/31/2018	2.83%	2.89%	0.06%	46.828	3.8%	45.38	111.8	128.6	65.4
3/31/2019	2.40%	2.41%	0.01%	47.114	3.6%	58.87	112.4	124.2	66.9
6/30/2019	1.92%	2.00%	0.08%	47.028	3.6%	57.35	112.2	124.3	50.0
9/30/2019	1.79%	1.68%	-0.07%	47.281	3.5%	57.92	111.8	128.3	42.8
12/31/2019	1.59%	1.82%	0.33%	47.484	3.6%	60.43	110.8	128.2	39.1
3/31/2020	0.17%	0.70%	0.53%	47.723	4.4%	19.48	108.2	118.8	38.0
6/30/2020	0.16%	0.66%	0.50%	52.411	11.0%	39.72	104.2	104.2	39.5
9/30/2020	0.12%	0.69%	0.57%	50.548	7.9%	41.09	107.3	101.3	56.1
12/31/2020	0.10%	0.83%	0.63%	49.527	6.7%	48.18	109.1	87.1	61.3
3/31/2021	0.07%	1.74%	1.67%	55.387	6.1%	61.43	110.9	114.8	37.2
6/30/2021	0.07%	1.45%	1.38%	51.050	5.9%	71.64	113.6	109.8	37.2
9/30/2021	0.09%	1.52%	1.43%	50.319	4.8%	74.18	115.4	109.8	37.2
12/31/2021	0.39%	1.52%	1.13%	48.548	3.9%	73.88	117.8	115.2	37.2
3/31/2022	1.63%	2.32%	0.69%	48.282	3.6%	113.90	117.8	107.6	37.2
6/30/2022	2.60%	2.88%	0.18%	48.001	3.6%	109.07	115.1	98.4	37.2
9/30/2022	4.05%	3.63%	-0.22%	48.388	3.5%	79.07	113.5	107.8	37.2
12/31/2022	4.73%	3.88%	-0.85%	48.680	3.5%	79.56	110.7	109.0	37.2
Maximum	4.73%	3.88%	-0.85%	55.387	11.0%	113.90	117.8	135.3	72.5
Mean	1.44%	2.09%	0.65%	47.607	4.7%	60.78	109.3	115.4	48.7
Median	1.31%	2.31%	0.64%	47.281	4.1%	58.25	110.7	117.3	49.8
Minimum	0.07%	0.66%	-0.85%	43.480	3.5%	19.48	89.9	87.1	37.2

Note: (1) All information sourced from Capital IQ unless otherwise noted. (2) The LEI is provided by The Conference Board and is used to predict the direction of global economic movements in future months. The index is composed of 10 economic components whose changes tend to precede changes in the overall economy. The 10 components cover: (1) The average weekly hours worked by manufacturing workers (2) The average number of retail applications for unemployment insurance (3) The amount of manufacturing new orders for consumer goods and materials (4) The speed of delivery of new manufacturing orders (5) The number of new orders for capital goods (6) The number of new building permits for residential buildings (7) The S&P 500 stock index (8) The median-order-to-ship ratio (9) The spread between long and short interest rates (10) Consumer sentiment. (3) The CCI surveys households' plans to make major purchases and their overall current and expected economic conditions. Survey questions cover five categories: (1) Current business conditions and employment levels (2) Expectation for business conditions and employment over the next six months (3) Households' plans to make major purchases such as autos, appliances and homes over the next six months (4) Households' vacation plans over the next six months (5) Expectations regarding interest rates, stock prices and inflation over the next six months.



APPENDIX 6 – 212 MOTORS COLUMBIA LLC
EXHIBITS

Withum Confidential.

212 Motors Columbia LLC

Valuation of 212 Motors Columbia LLC

Valuation Date: December 31, 2022
Prepared on December 21, 2023



Corporate Value Consulting

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212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Disclaimer
As of December 31, 2022

In the event the Client uses these exhibits for or in relation to any tax matter, the exhibits are not intended or written by Withum to be used, and cannot be used by a client or any other person or entity for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to any other party any matters addressed herein.

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**212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Assumptions and Limiting Conditions
As of December 31, 2022**

- (1) The information, estimates, and opinions contained in these schedules were obtained from sources considered to be reliable. However, we assume no liability for such sources.
- (2) Possession of these schedules, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone without previous written consent of WithumSmith+Brown, and, in any event, only with proper attribution.
- (3) We do not purport to be a guarantor of value. Valuation of closely held companies is an imprecise science, with value being a question of fact, and reasonable people can disagree in their estimates of value. However, we used conceptually sound and commonly accepted methods of valuation in determining the estimate of value included in these schedules.
- (4) The values presented in these schedules applies to this report only and may not be used out of the context presented herein. This value is valid only for the purposes specified herein. The value and the schedules reflect facts and conditions existing at the valuation date. Subsequent events have not been considered, and we have no obligation to update the schedules for such events and conditions.
- (5) Neither the professionals who worked on this engagement, nor the principals of WithumSmith+Brown, have any present or contemplated future interest in the Company, any personal interest with respect to the parties involved, or any other interest that might prevent the performance of an unbiased valuation. Our compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this value.

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**212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Table of Contents
As of December 31, 2022**

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**212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
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As of December 31, 2022**

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212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Summary of Values
As of December 31, 2022

Exhibit 1
(USD)

Valuation Method		
Income Approach		
Capitalized Cash Flow Method (Exhibit 14)		846,000
(1) Weight %		100.0%
Asset Approach		
(2) Adjusted Net Asset Method (Exhibit 2)		31,874
(1) Weight %		0.0%
Business Enterprise Value (Controlling, Marketable)		846,000
(2) Plus: Cash		410,754
(2) Less: Total Debt		(1,554,070)
Common Equity (Controlling, Marketable)		-
Subject Interest		33.33%
Fair Market Value of 33.33% of Common Equity (Controlling, Marketable, Rounded)		-

Notes:

- (1) Weightings reflect Withum's judgment regarding the reliability of each method as an indication of value.
- (2) All information provided by Management unless otherwise noted. Assumed that Fair Market Value equals closing balance sheet book value (net of any adjustments presented on the Balance Sheet) as of December 31, 2022.

212 Motors Columbia LLC Exhibit 2
Valuation of 212 Motors Columbia LLC (USD)
Balance Sheet (BS)
As of December 31, 2022

Line Item (1)	Historical		Adjusted Closing BS (12/31/2022)		
	12/31/2021	12/31/2022	Book Value	Fair Market Value Adjustments	Fair Market Value
Assets					
Cash	209,186	410,754	410,754	-	410,754
Accounts Receivable	170,657	137,742	137,742	-	137,742
Raw Materials	-	-	-	-	-
Work In Process	-	-	-	-	-
Finished Goods	7,407,918	4,790,129	4,790,129	-	4,790,129
Inventories	7,407,918	4,790,129	4,790,129	-	4,790,129
Prepaid Expenses	39,639	6,634	6,634	-	6,634
Total Current Assets	7,826,397	6,345,259	5,345,259	-	6,345,259
Leasehold Improvements	167,458	167,458	167,458	-	167,458
M&S Equipment	77,736	77,736	77,736	-	77,736
Furniture and Fixtures	148,285	148,285	148,285	-	148,285
Property, Plant & Equipment, gross	393,479	393,479	393,479	-	393,479
less Accumulated Depreciation	(27,605)	(82,795)	(82,795)	-	(82,795)
Property, Plant & Equipment	365,874	330,684	330,684	-	330,684
Total Long Term Assets	365,874	330,684	330,684	-	330,684
Total Assets	8,192,271	6,675,943	6,675,943	-	6,675,943
Liabilities & Equity					
Accounts Payable	330,350	256,002	256,002	-	256,002
Notes Payable - Used Vehicles	6,504,589	4,591,210	4,591,210	-	4,591,210
Interest payable	19,190	29,997	29,997	-	29,997
Salaries, Wages, Commissions Payable	57,382	34,899	34,899	-	34,899
Insurance Payable	(2,681)	238	238	-	238
Salaries Payable	1,400	-	-	-	-
Other Taxes Payable	91,487	152,372	152,372	-	152,372
Other Payable	213,280	167,708	167,708	-	167,708
Sales Tax Payable	-	1,089	1,089	-	1,089
Total Current Liabilities	7,214,997	5,233,315	5,233,315	-	5,233,315
(2) Long Term Debt	990,000	1,354,070 (11)	1,354,070	200,000	1,554,070
(2) Mortgage Payable Real Estate	-	200,000 (11)	200,000	(200,000)	-
Total Long Term Liabilities	990,000	1,554,070	1,554,070	-	1,554,070
Total Liabilities	8,204,997	6,787,385	6,787,385	-	6,787,385
Common Equity	(12,726)	(1,111,442)	(1,111,442)	-	(1,111,442)
Total Equity	(12,726)	(1,111,442)	(1,111,442)	-	(1,111,442)
Total Liabilities & Equity	8,192,271	6,675,943	6,675,943	-	6,675,943
(3) Net Working Capital	611,400	111,944	111,944	-	111,944
Net Working Capital % of Revenue	2.2%	0.4%	0.4%	-	0.4%
(4) Cash Free Net Working Capital	402,214	(298,810)	(298,810)	-	(298,810)
Cash Free Net Working Capital % of Revenue	1.4%	-1.1%	-1.1%	-	-1.1%
(5) Total Cash	209,186	410,754	410,754	-	410,754
(6) Total Debt	990,000	1,554,070	1,554,070	-	1,554,070
(7) Net Debt	780,814	1,143,316	1,143,316	-	1,143,316
(8) Value of Invested Capital	977,274	442,628	442,628	-	442,628
(9) Enterprise Value	768,088	31,874	31,874	-	31,874
(10) Net Nonoperating Assets / (Liabilities)	-	-	-	-	-

Notes:

- All information provided by Management unless otherwise noted
- Line item represents interest bearing liability.
- Represents current assets minus current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities
- Represents current assets minus cash and current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities.
- The sum of all operating cash and cash equivalents.
- The sum of all interest bearing liabilities.
- The sum of all interest bearing liabilities net of Cash and Cash Equivalents.
- Equals Total Assets minus Total Liabilities plus Total Debt.
- Equals Total Assets minus Total Liabilities plus Net Debt.
- The sum of all nonoperating assets and liabilities.
- Per discussion with Rod Stick, the mortgage payable per the dealer financial statement is a misclassification and should be included in long term debt.

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Common Size Balance Sheet
As of December 31, 2022

Exhibit 3
(USD)

Line Item (1)	Historical		Adjusted Closing BS (12/31/2022)		
	12/31/2021	12/31/2022	Book Value	Fair Market Value Adjustments	Fair Market Value
Assets					
Cash	2.6%	7.2%	7.2%	n/a	7.2%
Accounts Receivable	2.1%	2.4%	2.4%	n/a	2.4%
Raw Materials	0.0%	0.0%	0.0%	n/a	0.0%
Work in Process	0.0%	0.0%	0.0%	n/a	0.0%
Finished Goods	80.4%	84.4%	84.4%	n/a	84.4%
Inventories	80.4%	84.4%	84.4%	n/a	84.4%
Prepaid Expenses	0.5%	0.1%	0.1%	n/a	0.1%
Total Current Assets	95.5%	94.2%	94.2%	n/a	94.2%
Leasehold Improvements	2.0%	3.0%	3.0%	n/a	3.0%
M&S Equipment	0.9%	1.4%	1.4%	n/a	1.4%
Furnitures and Fixtures	1.8%	2.6%	2.6%	n/a	2.6%
Property, Plant & Equipment, gross	4.8%	6.9%	6.9%	n/a	6.9%
less Accumulated Depreciation	-0.3%	-1.1%	-1.1%	n/a	-1.1%
Property, Plant & Equipment	4.5%	5.8%	5.8%	n/a	5.8%
Total Long Term Assets	4.5%	5.8%	5.8%	n/a	5.8%
Total Assets	100.0%	100.0%	100.0%	n/a	100.0%
Liabilities & Equity					
Accounts Payable	4.0%	4.5%	4.5%	n/a	4.5%
Notes Payable - Used Vehicles	79.4%	80.9%	80.9%	n/a	80.9%
Interest payable	0.2%	0.5%	0.5%	n/a	0.5%
Salaries, Wages, Commissions Payable	0.7%	0.6%	0.6%	n/a	0.6%
Insurance Payable	0.0%	0.0%	0.0%	n/a	0.0%
Salaries Payable	0.0%	0.0%	0.0%	n/a	0.0%
Other Taxes Payable	1.1%	2.7%	2.7%	n/a	2.7%
Other Payable	2.6%	3.0%	3.0%	n/a	3.0%
Sales Tax Payable	0.0%	0.0%	0.0%	n/a	0.0%
Total Current Liabilities	88.1%	92.2%	92.2%	n/a	92.2%
(2) Long Term Debt	12.1%	23.9% (11)	23.9%	n/a	27.4%
(2) Mortgage Payable Real Estate	0.0%	3.5% (11)	3.5%	n/a	0.0%
Total Long Term Liabilities	12.1%	27.4%	27.4%	n/a	27.4%
Total Liabilities	100.2%	119.6%	119.6%	n/a	119.6%
Common Equity	-0.2%	-19.6%	-19.6%	n/a	-19.6%
Total Equity	-0.2%	-19.6%	-19.6%	n/a	-19.6%
Total Liabilities & Equity	100.0%	100.0%	100.0%	n/a	100.0%
(1)(3) Net Working Capital	7.5%	2.0%	2.0%		2.0%
(1)(4) Cash Free Net Working Capital	4.9%	-5.3%	-5.3%		-5.3%
(1)(5) Total Cash	2.6%	7.2%	7.2%		7.2%
(1)(6) Total Debt	12.1%	27.4%	27.4%		27.4%
(1)(7) Net Debt	9.5%	20.1%	20.1%		20.1%
(1)(8) Value of Invested Capital	11.9%	7.8%	7.8%		7.8%
(1)(9) Enterprise Value	9.4%	0.6%	0.6%		0.6%
(1)(10) Net Nonoperating Assets / (Liabilities)	0.0%	0.0%	0.0%		0.0%

Notes:

- (1) Common size percentages represent each line item's percentage in proportion to total assets
- (2) Line item represents interest bearing liability.
- (3) Represents current assets minus current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities
- (4) Represents current assets minus cash and current liabilities, excluding debt, capital leases, nonoperating assets, or nonoperating liabilities
- (5) The sum of all operating cash and cash equivalents.
- (6) The sum of all interest bearing liabilities.
- (7) The sum of all interest bearing liabilities net of Cash and Cash Equivalents.
- (8) Equals Total Assets minus Total Liabilities plus Total Debt.
- (9) Equals Total Assets minus Total Liabilities plus Net Debt
- (10) The sum of all nonoperating assets and liabilities
- (11) Per discussion with Rod Sick, the mortgage payable per the dealer financial statement is a misclassification and should be included in long term debt.

212 Motors Columbia LLC Exhibit 4
Valuation of 212 Motors Columbia LLC (USD)
Income Statement
As of December 31, 2022

Line Item (1)	Historical	
	12/31/2021	12/31/2022
Total Revenue	20,000,333	20,399,768
Revenue Growth %	<i>n/a</i>	1.4%
Cost of Sales	25,570,479	26,768,268
Cost of Sales as a % of Revenue	91.3%	94.3%
Gross Profit	2,435,854	1,632,499
Gross Profit Margin %	8.7%	5.7%
Officer's Compensation	-	-
Vehicle Salespeople Compensation & Other	230,222	217,843
Delivery Expense	(18,122)	9,732
Policy Work Vehicles	7,320	17,801
Salaries Supervision	389,892	409,098
Salaries Clerical	78,607	88,381
Other Salaries and Wages	163,815	165,999
Incentives Supervision	50,652	35,307
Taxes Payroll	74,366	79,951
Employee Benefits	39,068	60,656
Co Vehicle Expense	18,768	44,699
Office Supplies and Expense	13,700	10,480
Other Supplies	70,948	81,639
Advertising	400,321	372,684
Advertising Robotics	(141,340)	(168,870)
Policy Work Parts and Service	3,722	34,666
Information Tech Services	69,848	82,761
Outside Services - Other	225,723	199,756
Travel and Entertainment	11,125	4,310
Membership Dues and Publications	816	3,399
Legal and Audit Expense	3,383	3,698
Telephone	6,778	13,213
Training Expense	1,078	1,321
Insurance Inventory	20,451	20,596
Bad Debt Expense	2,123	9,433
Freight, Post, Shipping	15,211	21,151
Miscellaneous	30,435	6,955
Rent	214,500	234,000
Repairs Real Estate	11,288	10,318
Taxes Real Estate	37,485	39,637
Insurance Buildings and Improvements	9,402	17,425
Utilities	43,281	50,802
Insurance - Other	13,088	10,968
Taxes Other	25,091	23,450
Repairs Equipment	7,929	8,616
Equipment - Rental	495	1,622
Other Deduction	5,844	12,285
Absentee Compensation	-	3,847
Other (Income)	(88,556)	(104,666)
Total Operating Expenses	2,681,429	2,160,439
Total Operating Expenses as a % of Revenue	7.4%	7.6%
EBITDA	374,434	(527,940)
EBITDA Margin %	1.3%	-1.0%
(2) Depreciation Expense (Book Basis)	27,605	35,180
Depreciation Expense (Book Basis) as a % of Revenue	0.1%	0.1%
EBITA	346,829	(563,130)
EBITA Margin %	1.2%	-2.0%
(2) Amortization Expense (Book Basis)	-	-
Amortization Expense (Book Basis) as a % of Revenue	0.0%	0.0%
(2) D&A Expense (Book Basis)	27,605	35,180
D&A Expense (Book Basis) as a % of Revenue	0.1%	0.1%
EBIT	349,829	(563,130)
EBIT Margin %	1.2%	-2.0%
Floor Plan Interest Expense	144,516	268,358
Net Interest Expense	23,022	63,207
Pre-Tax Income	179,292	(682,702)
Pre-Tax Margin %	0.6%	-3.1%
(3) Capital Expenditures	<i>n/a</i>	-
CAPEX as a % of Revenue	<i>n/a</i>	0.0%

Notes:
(1) All information provided by Management unless otherwise noted.
(2) Assumes that book basis serves as a reasonable proxy for tax basis.
(3) Historical capital expenditures equal gross PP&E in the current year minus gross PP&E in the prior year.

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Common Size Income Statement
As of December 31, 2022

Exhibit 6
(USD)

Line Item (1)	Historical	
	12/31/2021	12/31/2022
Total Revenue	100.0%	100.0%
Cost of Sales	91.3%	94.3%
Gross Profit	8.7%	6.7%
Officer's Compensation	0.0%	0.0%
Vehicle Salespeople Compensation & Other	0.9%	0.9%
Delivery Expense	-0.1%	0.0%
Policy Work Vehicles	0.0%	0.1%
Salaries Supervision	1.4%	1.4%
Salaries Clerical	0.3%	0.3%
Other Salaries and Wages	0.6%	0.7%
Incentives Supervision	0.2%	0.1%
Taxes Payroll	0.3%	0.3%
Employee Benefits	0.1%	0.3%
Co Vehicle Expense	0.1%	0.2%
Office Supplies and Expense	0.0%	0.0%
Other Supplies	0.3%	0.2%
Advertising	1.4%	1.3%
Advertising Rebates	-0.6%	-0.6%
Policy Work Parts and Service	0.0%	0.1%
Information Tech Services	0.2%	0.3%
Outside Services - Other	0.6%	0.7%
Travel and Entertainment	0.0%	0.0%
Membership Dues and Publications	0.0%	0.0%
Legal and Audit Expense	0.0%	0.0%
Telephones	0.0%	0.0%
Training Expense	0.0%	0.0%
Insurance Inventory	0.1%	0.1%
Bad Debt Expense	0.0%	0.0%
Freight, Post, Shipping	0.1%	0.1%
Miscellaneous	0.1%	0.0%
Rent	0.8%	0.8%
Repairs Real Estate	0.0%	0.0%
Taxes Real Estate	0.1%	0.1%
Insurance Buildings and Improvements	0.0%	0.1%
Utilities	0.2%	0.2%
Insurance - Other	0.0%	0.0%
Taxes Other	0.1%	0.1%
Repairs Equipment	0.0%	0.0%
Equipment - Rental	0.0%	0.0%
Other Deduction	0.0%	0.0%
Absentee Compensation	0.0%	0.0%
Other (Income)	-0.3%	-0.4%
Total Operating Expenses (SG&A, etc.)	7.4%	7.6%
EBITDA	1.3%	-1.9%
Depreciation Expense (Book Basis)	0.1%	0.1%
EBITA	1.2%	-2.0%
Amortization Expense (Book Basis)	0.0%	0.0%
R&A Expense (Book Basis)	0.1%	0.1%
EBT	1.3%	-2.0%
Floor Plan Interest Expense	0.6%	0.9%
Net Interest Expense	0.1%	0.2%
Pre-Tax Income	0.6%	-2.1%
Capital Expenditures	n/a	0.0%

Notes:

(1) Common size percentages represent each line item's percentage in proportion to total revenue

212 Motors Columbia LLC **Exhibit 6**
Valuation of 212 Motors Columbia LLC **(USD)**
Income Statement Details
As of December 31, 2022

	<u>12/31/2021</u>	<u>12/31/2022</u>
Revenue		
Used	25,967,201	25,337,645
F&I	1,079,953	1,416,382
Mechanical	439,631	771,506
Parts & Accessories	519,547	873,252
Total	28,006,332	28,398,785
Gross Profit		
Used	1,304,992	195,023
F&I	631,070	768,259
Mechanical	324,168	508,829
Parts & Accessories	175,623	160,378
Total	2,435,853	1,632,489
Gross Profit %		
Used	5.0%	0.8%
F&I	58.4%	54.2%
Mechanical	73.7%	66.0%
Parts & Accessories	33.8%	18.4%
Total	8.7%	5.7%
Used Units	604	549
Gross Profit Per Used Units	2,161	355

Notes:

(1) Per the dealer financial statements

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Income Statement Normalization Adjustments
As of December 31, 2022

Exhibit 7
(USD)

<u>Line Item (1)</u>	<u>Historical</u> <u>12/31/2021</u>	<u>12/31/2022</u>
Total Revenue	-	-
Cost of Sales	-	-
(2) Officer's Compensation	123,905	120,000
(3) Taxes Payroll	9,479	9,180
(4) Rent	(112,125)	(97,500)
Total Operating Expenses	21,258	31,680

Notes:

- (1) Negative entries reflect a decrease in the respective line item, while a positive entry reflects an increase in said line item.
- (2) The partners were not paid a salary. We have estimated the replacement cost for a third party to manage the store would be \$10,000 per month plus 10% of the pre-tax profits. The pre-tax profits were calculated as the normalized pre-tax income (Exhibit 8) excluding the 10% bonus payment. The 2021 calculation is based on 9 months as the store opened in April 2021.
- (3) Payroll tax adjustment of 7.65% in relation to the adjustments of Officer's Compensation. Includes consideration for annual FICA limit.
- (4) Rent is paid to a related party. Per discussions with Rod Slick, the rent is based on the building costs (\$1,950,000) multiplied by a 1% monthly market rent factor or monthly rent of \$19,500. Based on professional judgement, we have estimated the annual market rent based on a 7% rent factor (0.58% monthly). The 2021 calculation is based on 9 months as the store opened in April 2021.

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Normalized Income Statement
As of December 31, 2022

Exhibit B
(USD)

Line Item (1)	Historical 12/31/2021	12/31/2022
Total Revenue	28,008,333	28,358,788
Revenue Growth %	n/a	1.4%
Cost of Sales	25,570,478	28,768,288
Cost of Sales as a % of Revenue	91.3%	94.3%
Gross Profit	2,435,854	1,632,499
Gross Profit Margin %	8.7%	5.7%
Officer's Compensation	123,905	120,000
Vehicle Salespeople Compensation & Other	250,222	217,843
Delivery Expense	(18,122)	9,732
Policy Work Vehicles	7,320	17,801
Salaries Supervision	389,832	405,058
Salaries Clerical	78,697	89,391
Other Salaries and Wages	183,615	183,993
Incentives Supervision	90,832	33,397
Taxes Payroll	83,845	89,131
Employee Benefits	38,068	90,856
Co Vehicle Expense	15,768	44,898
Office Supplies and Expense	13,700	10,480
Other Supplies	70,948	81,630
Advertising	400,321	372,684
Advertising Rebates	(141,340)	(100,870)
Policy Work Parts and Service	3,722	34,668
Information Tech Services	58,848	82,701
Outside Services - Other	225,723	188,768
Travel and Entertainment	11,125	4,310
Membership Dues and Publications	815	3,368
Legal and Audit Expense	3,383	3,658
Telephone	5,778	13,213
Training Expense	1,078	1,321
Insurance Inventory	20,461	28,698
Bad Debt Expense	2,123	8,433
Freight, Post, Shipping	15,211	21,181
Miscellaneous	38,435	8,956
Rent	102,375	138,600
Repairs Real Estate	11,299	10,318
Taxes Real Estate	37,485	33,637
Insurance Buildings and Improvements	8,402	17,425
Utilities	43,281	50,802
Insurance - Other	13,085	10,868
Taxes Other	26,091	26,450
Repairs Equipment	7,828	5,815
Equipment - Rental	485	1,822
Other Deduction	5,544	12,285
Absentee Compensation	-	3,847
Other (Income)	(88,556)	(104,886)
Total Operating Expenses	2,632,978	2,182,119
Total Operating Expenses as a % of Revenue	7.4%	7.7%
EBITDA	353,178	(89,629)
EBITDA Margin %	1.3%	-2.0%
(2) Depreciation Expense (Book Basis)	27,605	33,190
Depreciation Expense (Book Basis) as a % of Revenue	0.1%	0.1%
EBITA	325,571	(89,919)
EBITA Margin %	1.2%	-2.1%
(2) Amortization Expense (Book Basis)	-	-
Amortization Expense (Book Basis) as a % of Revenue	0.0%	0.0%
(2) D&A Expense (Book Basis)	27,605	33,190
D&A Expense (Book Basis) as a % of Revenue	0.1%	0.1%
EBIT	325,571	(89,919)
EBIT Margin %	1.2%	-2.1%
Floor Plan Interest Expense	144,515	268,358
Net Interest Expense	23,022	63,207
Pre-Tax Income	392,849	(69,629)
Pre-Tax Margin %	1.1%	-2.3%
(3) Capital Expenditures	n/a	-
CAPEX as a % of Revenue	n/a	0.0%

Notes:

- (1) All information provided by Management unless otherwise noted.
- (2) Assumes first book basis serves as a reasonable proxy for tax basis.
- (3) Historical capital expenditures equal gross PP&E in the current year minus gross PP&E in the prior year.

212 Motors Columbia LLC Exhibit 9
Valuation of 212 Motors Columbia LLC (USD)
Normalized Common Size Income Statement
As of December 31, 2022

Line Item (1)	Historical 12/31/2021	12/31/2022
Total Revenue	100%	100%
Cost of Sales	91.3%	94.3%
Gross Profit	8.7%	5.7%
Officer's Compensation	0.4%	0.4%
Vehicle Salespeople Compensation & Other	0.9%	0.8%
Delivery Expense	-0.1%	0.0%
Policy Work Vehicles	0.0%	0.1%
Salaries Supervision	1.4%	1.4%
Salaries Clerical	0.3%	0.3%
Other Salaries and Wages	0.6%	0.7%
Incentives Supervision	0.2%	0.1%
Taxes Payroll	0.3%	0.3%
Employee Benefits	0.1%	0.3%
Co Vehicle Expense	0.1%	0.2%
Office Supplies and Expense	0.0%	0.0%
Other Supplies	0.3%	0.2%
Advertising	1.4%	1.3%
Advertising Rebates	-0.5%	-0.6%
Policy Work Parts and Service	0.0%	0.1%
Information Tech Services	0.2%	0.3%
Outside Services - Other	0.6%	0.7%
Travel and Entertainment	0.0%	0.0%
Membership Dues and Publications	0.0%	0.0%
Legal and Audit Expense	0.0%	0.0%
Telephone	0.0%	0.0%
Training Expense	0.0%	0.0%
Insurance Inventory	0.1%	0.1%
Bad Debt Expense	0.0%	0.0%
Freight, Post, Shipping	0.1%	0.1%
Miscellaneous	0.1%	0.0%
Rent	0.4%	0.5%
Repairs Real Estate	0.0%	0.0%
Taxes Real Estate	0.1%	0.1%
Insurance Buildings and Improvements	0.0%	0.1%
Utilities	0.2%	0.2%
Insurance - Other	0.0%	0.0%
Taxes Other	0.1%	0.1%
Repairs Equipment	0.0%	0.0%
Equipment - Rental	0.0%	0.0%
Other Deduction	0.0%	0.0%
Absentee Compensation	0.0%	0.0%
Other (Income)	-0.3%	-0.4%
Total Operating Expenses (SG&A, etc.)	7.4%	7.7%
EBITDA	1.3%	-2.0%
(2) Depreciation Expense (Book Basis)	0.1%	0.1%
EBITA	1.3%	-2.1%
(2) Amortization Expense (Book Basis)	0.0%	0.0%
(2) O&A Expense (Book Basis)	0.1%	0.1%
EBT	1.2%	-2.1%
Floor Plan Interest Expense	0.5%	0.9%
Net Interest Expense	0.1%	0.2%
Pre-Tax Income	1.1%	-2.3%
Capital Expenditures	n/a	0.0%

Notes:

- (1) Common size percentages represent each line item's percentage in proportion to total revenue
- (2) Assumes that book basis serves as a reasonable proxy for tax basis.

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212 Motors Columbia LLC **Exhibit 10**
Valuation of 212 Motors Columbia LLC **(USD)**
Financial Statement Analysis
As of December 31, 2022

Line Item	212 Motors Columbia	
	12/31/2021	12/31/2022
(1) Cash	2.6%	7.2%
(1) Accounts Receivable	2.1%	2.4%
(1) Inventories	90.4%	84.4%
(1) Property, Plant & Equipment, gross	4.0%	6.0%
(1) Property, Plant & Equipment	4.5%	5.8%
(1) Accounts Payable	4.0%	4.5%
(1) Total Debt	12.1%	27.4%
(2)(3) Cash Free Net Working Capital	1.4%	-1.1%
(2)(3) Capital Expenditures	n/a	0.0%
(2)(3) Gross Profit Margin %	8.7%	5.7%
(2)(3) EBITDA Margin %	1.3%	-2.0%
(2)(3) EBIT Margin %	1.2%	-2.1%
(3) Return on Assets %	2.7%	-6.5%
(3) Asset Turnover Ratio	3.4	5.0
(3) Fixed Asset Turnover Ratio	78.5	85.9
(3) Inventory Turnover Ratio	3.5	5.6
(3) Return on Equity %	-1735.5%	43.2%
(3) Debt to Equity %	-7779.3%	-138.8%
(3) Interest Coverage Ratio	14.1	-9.4
Current Ratio	1.1	1.0
Quick Ratio	0.1	0.1

Notes:

- (1) Calculated as a percentage of total assets
- (2) Calculated as a percentage of total revenue.
- (3) Income statement items are represented on a normalized basis as presented in Exhibit

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212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Guidofino Public Company (GPC) Financial Statement Analysis
As of December 31, 2022

Exhibit 11
(USD)

Line Item (1) (2)	Guidofino Public Companies					75th Percentile	Median	Average	25th Percentile
	LAD	AN	GPI	ASG	SAH				
(3) Cash	1.7%	4.7%	0.3%	1.0%	3.5%	3.5%	1.9%	2.4%	1.7%
(3) Accounts Receivable	7.1%	3.6%	2.3%	1.1%	7.5%	7.1%	3.6%	4.3%	2.3%
(3) Inventories	23.5%	19.7%	19.0%	10.5%	24.8%	23.5%	19.7%	19.5%	19.0%
(3) Property, Plant & Equipment, gross	30.6%	60.6%	48.1%	n/a	60.8%	60.8%	62.3%	49.0%	41.5%
(3) Property, Plant & Equipment	27.3%	40.4%	36.5%	27.5%	42.5%	40.4%	38.5%	34.9%	27.5%
(3) Accounts Payable	1.7%	3.7%	7.5%	0.0%	2.9%	7.5%	3.7%	4.7%	2.9%
(3) Total Debt	49.7%	54.9%	43.0%	44.6%	59.5%	54.9%	49.7%	50.2%	44.6%
(4) Cash Free Net Working Capital (LTM)	12.3%	5.0%	6.0%	5.3%	7.6%	7.6%	6.0%	7.3%	5.3%
(4) 3-Year Cash Free Net Working Capital Average	15.6%	11.1%	10.9%	13.8%	12.3%	13.6%	12.3%	12.7%	11.1%
(4) 5-Year Cash Free Net Working Capital Average	17.7%	13.5%	12.6%	15.2%	13.6%	15.2%	13.8%	14.6%	13.5%
(4) Capital Expenditures (LTM)	1.0%	1.1%	0.2%	0.6%	-0.5%	1.0%	0.6%	0.5%	0.2%
(4) 3-Year Capital Expenditures Average	1.1%	0.9%	0.6%	0.7%	0.0%	0.9%	0.6%	0.7%	0.7%
(4) 5-Year Capital Expenditures Average	1.2%	1.2%	0.6%	0.7%	0.8%	1.2%	0.6%	0.9%	0.6%
(5) Return on Assets %	9.7%	13.4%	11.3%	10.1%	7.6%	11.3%	10.1%	10.4%	9.7%
(5) Asset Turnover Ratio	2.2	2.8	2.7	2.0	2.8	2.8	2.7	2.5	2.2
(5) Fixed Asset Turnover Ratio	7.7	7.1	7.4	7.1	6.8	7.4	7.1	7.2	7.1
(5) Inventory Turnover Ratio	7.6	11.4	11.6	15.4	9.4	11.8	11.4	11.1	9.4
(5) Return on Equity %	27.1%	81.6%	37.4%	32.5%	30.7%	37.4%	32.5%	37.8%	30.7%
(5) Debt to Equity %	145.8%	241.7%	133.1%	141.6%	279.7%	241.7%	145.9%	188.5%	141.6%
(5) Interest Coverage Ratio	6.7	11.3	10.7	7.7	4.6	10.7	6.7	6.6	7.7

Notes:
(1) Balance sheet items represented by most recent fiscal quarter reported.
(2) Income statement items represented by trailing twelve months reported.
(3) Calculated as a percentage of total assets.
(4) Calculated as a percentage of total revenue.
(5) Ratios calculated as of most recent reported fiscal quarter as of Valuation Date.

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Exhibit

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Weighted Average Cost of Capital (WACC)
As of December 31, 2022

Cost of Equity		Cost of Debt		WACC	
Risk Free Rate (1)	4.14%	Pretax Cost of Debt (7)	8.87%	Weight of Equity (10)	78.5%
+ Beta (2)	n/a	+ Debt Premium (6)	0.0%	Equity Contribution	19.8%
+ Equity Risk Premium (3)	6.22%	+ Sovereign Spread (8)	0.0%	Weight of Debt (10)	21.5%
+ Size Premium (4)	4.80%	× (1 - Tax Rate) (9)	73.0%	Debt Contribution	0.9%
+ Country Risk Premium (5)	0.0%	= After-Tax Cost of Debt	4.3%	WACC (rounded)	20.5%
+ Company Specific Risk Premium (6)	10.0%				
= Cost of Equity	25.2%				

Notes:

- (1) Based upon the United States Treasury Constant Maturity - 20 Year Rate as of the Valuation Date, sourced from Capital IQ.
- (2) No beta was selected since the Build-Up Method was employed.
- (3) Based upon the Supply-Side Equity Risk Premium as published by the Kroll Cost of Capital Navigator.
- (4) Based on the historical incremental return on similar sized stocks as published by the Kroll Cost of Capital Navigator. Specifically, we selected decile 10.
- (5) No sovereign risk premium or discount are applied as 212 Motors Columbia LLC operates primarily within developed economies.
- (6) Represents all other nonsystematic and forecast risks specific to 212 Motors Columbia LLC, as estimated by Withum.
- (7) Based upon the yield on the Moody's Bond Yield Avg for Baa rated corporate bonds as of the Valuation Date, sourced from Capital IQ.
- (8) No sovereign risk premium or discount are applied as 212 Motors Columbia LLC operates primarily within developed economies.
- (9) The statutory tax rate used was based upon KPMG's Corporate and Indirect Tax Rate Survey.
- (10) Capitalization structure determined from the median Total Debt/TIC of Microcap Companies (5-year average), as reported by the Kroll Cost of Capital Navigator for 2022.

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Capitalized Cash Flow Method
As of December 31, 2022

Exhibit 1
(USD)

Line Item (1)	Historical 12/31/2021	12/31/2022	Terminal Value
Total Revenue	28,006,333	28,398,788	28,398,788
<i>Revenue Growth %</i>	<i>n/a</i>	<i>1.4%</i>	<i>0.0%</i>
<i>Weight (%)</i>	<i>0.0%</i>	<i>100.0%</i>	
EBITDA	353,176	(559,629)	266,349
<i>EBITDA Margin %</i>	<i>1.3%</i>	<i>-2.0%</i>	<i>0.9%</i>
<i>Weight (%)</i>	<i>90.0%</i>	<i>10.0%</i>	
Less: D&A Expense (Book Basis)	27,605	35,190	-
EBIT	325,571	(694,819)	266,349
<i>EBIT Margin %</i>	<i>1.2%</i>	<i>-2.1%</i>	<i>0.9%</i>
Income Taxes	87,904	(160,601)	71,914
(2) <i>Income Tax Rate %</i>	<i>27.0%</i>	<i>27.0%</i>	<i>27.0%</i>
Net Operating Profit After Tax (NOPAT)	237,667	(434,218)	194,435
<i>NOPAT Margin %</i>	<i>0.8%</i>	<i>-1.5%</i>	<i>0.7%</i>
(3) Plus: D&A Expense (Book Basis)	27,605	35,190	-
<i>D&A Expense (Book Basis) as a % of Revenue</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.0%</i>
(4) Less: (Increases)/Plus: Decreases in Cash Free Net Working Capital	n/a	701,024	-
<i>Cash Free Net Working Capital % of Revenue</i>	<i>1.4%</i>	<i>-1.1%</i>	<i>0.0%</i>
Cash Free Net Working Capital	402,214	(298,810)	-
(3) Less: Capital Expenditures	n/a	-	-
<i>CAPEX as a % of Revenue</i>	<i>n/a</i>	<i>0.0%</i>	<i>0.0%</i>
Free Cash Flow to the Firm	n/a	301,996	194,435
Weighted Free Cash Flow to the Firm			194,435
Times: Long-Term Growth Rate			103%
Long-Term Free Cash Flow to the Firm			200,268
Capitalization Rate (20.5% - 3.0%)			17.5%
(5) Capitalized Cash Flow			1,144,389
(6) Plus: Excess / (Deficient) Net Working Capital			(298,810)
Business Enterprise Value (Controlling, Rounded)			846,000

Notes:

- (1) All information provided by Management unless otherwise noted.
- (2) Based on the statutory tax rates provided by KPMG's Corporate and Indirect Tax Rate Survey (United States).
- (3) Depreciation and capital expenditures were estimated at 0% of revenues due to the minimal historical capital expenditures and discussions with Management regarding the lack of future capital expenditures.
- (4) The incremental Cash Free Net Working Capital for the terminal period was estimated based upon a normalized working capital of 0.0% as a percentage of revenue multiplied by the selected long-term growth rate of 3.0%.
- (5) Calculated using the Gordon growth model with a long-term growth rate of 3.0%
- (6) The estimated excess/(deficient) working capital represents the actual working capital less the amount used to calculate the free cash flow to the firm.

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212 Motors Columbia LLC
 Valuation of 212 Motors Columbia LLC
 Guideline Public Company Business Descriptions, Capital IQ
 As of December 31, 2022

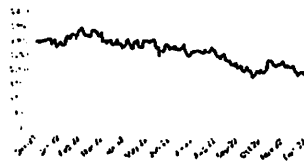
Exhibit 18
 (USD Millions)

Lithia Motors, Inc.

Ticker: LAD
 Exchange: NYSE
 Year Founded: 1946
 Industry: Automotive Retail
 Employees: 21,675

Stock Performance (1 Year Return)

LAD -31.1%
 *SPX -19.4%
 DQQ -33.1%



Business Description

Lithia Motors, Inc. operates as an automotive retailer. The company operates through Domestic, Import, and Luxury segments. It offers new and used vehicles, vehicle financing services, warranties, insurance contracts, and vehicle and theft protection services, and automotive repair and maintenance services, as well as sells body and parts for the new vehicles under the Dinwex and GreenCars brand names. The company provides its services through a network of locations, e-commerce platforms, and captive finance division in 26 states of the United States and 3 Canadian provinces. Lithia Motors, Inc. was founded in 1946 and is headquartered in Medford, Oregon.

Line Item	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue	12,072.7	13,120.5	22,831.7	20,107.0
Growth %	n/a	3.6%	73.0%	23.5%
EBITDA	602.5	796.0	1,511.9	2,128.0
Margin %	4.6%	6.1%	7.0%	7.6%
Net Income	277.5	470.3	1,060.1	1,251.0
Margin %	2.1%	3.6%	4.6%	4.4%

AutoNation, Inc.

Ticker: AN
 Exchange: NYSE
 Year Founded: 1991
 Industry: Automotive Retail
 Employees: 23,600

Stock Performance (1 Year Return)

AN -0.2%
 *SPX -19.4%
 DQQ -33.1%



Business Description

AutoNation, Inc., through its subsidiaries, operates as an automotive retailer in the United States. The company operates through three segments: Domestic, Import, and Premium Luxury. It offers a range of automotive products and services, including new and used vehicles, and parts and services, such as automotive repair and maintenance, and wholesale parts and collision services. The company also provides automotive finance and insurance products comprising vehicle services and cover protection products, as well as arrange finance for vehicle purchases through third-party finance sources. It owns and operates 343 new vehicle franchises from 247 stores located primarily in metropolitan markets in the Southeast region, as well as 55 AutoNation-branded collision centers, 13 AutoNation USA used vehicle stores, 4 AutoNation-branded automotive suction operations, and 3 parts distribution centers. AutoNation, Inc. was incorporated in 1991 and is headquartered in Fort Lauderdale, Florida.

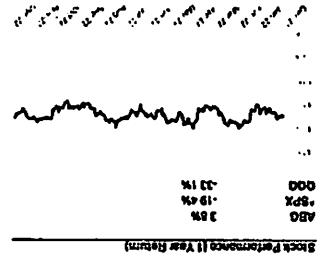
Line Item	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue	21,335.7	20,390.0	25,844.0	26,985.0
Growth %	n/a	-4.4%	26.7%	4.4%
EBITDA	958.0	1,177.4	2,070.5	2,203.0
Margin %	4.5%	5.8%	8.0%	8.2%
Net Income	450.0	301.0	1,373.0	1,377.4
Margin %	2.1%	1.9%	5.3%	5.1%

Line Item	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue	2,210.3	7,131.8	9,827.7	15,432.0
EBITDA	370.0	444.8	632.2	1,341.0
Margin %	16.7%	6.2%	6.4%	8.7%
Net Income	104.4	254.4	432.4	907.3
Margin %	4.7%	3.6%	4.4%	5.9%

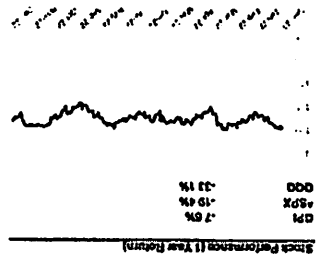
Asbury Automotive Group, Inc.
 Asbury Automotive Group, Inc., together with its subsidiaries, operates as an automotive retailer in the United States. It offers a range of automotive products and services, including new and used vehicles, and vehicle repair and maintenance services, fleet management, and collision repair services. The company also provides finance and leasing products, including financing through third parties, and aftermarket products, such as extended service contracts, guaranteed asset protection debt cancellation, prepaid maintenance, and crashly and accident insurance. Asbury Automotive Group, Inc. was founded in 1995 and is based in Duluth, Georgia.

Line Item	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue	11,597.9	18,600.2	13,481.9	18,222.1
EBITDA	467.8	596.7	878.4	1,182.1
Margin %	4.0%	3.2%	6.5%	6.5%
Net Income	174.0	286.5	652.1	731.5
Margin %	1.5%	1.5%	4.8%	4.0%

Group 1 Automotive, Inc.
 Group 1 Automotive, Inc. through its subsidiaries, operates in the automotive retail industry in the United States and the United Kingdom. The company sells new and used cars, light trucks, and vehicle parts, as well as service and insurance contracts, arranged related vehicle financing, and offers automotive maintenance and repair services. Group 1 Automotive Inc. was incorporated in 1995 and is headquartered in Houston, Texas.



Asbury Automotive Group, Inc.
 Ticker: ABO
 Exchange: NYSE
 Year Founded: 1995
 Industry: Automotive Retail
 Employees: 13,000
 Stock Performance (1 Year Return): -33.1%



Group 1 Automotive, Inc.
 Ticker: GPI
 Exchange: NYSE
 Year Founded: 1995
 Industry: Automotive Retail
 Employees: 15,691
 Stock Performance (1 Year Return): -33.1%

218 Motera Columbia LLC
 Valuation of 218 Motera Columbia LLC
 Custom Public Company Business Devotions Capital
 As of December 31, 2022

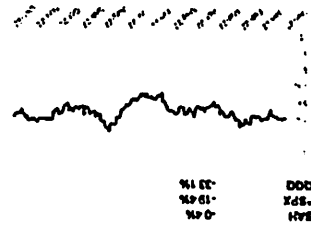
Exhibit 19
 (USD \$Mill)

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213 Motors Columbia LLC
 Valuation of 213 Motors Columbia LLC
 Qualified Public Company Business Development Capital ID
 As of December 31, 2022

Sonic Automotive, Inc.

Ticker: SAE
Exchange: NYSE
Year Founded: 1997
Employees: 10,200
Industry: Automotive Retail
Stock Performance (1 Year Return):
 SAE: -0.6%
 SPX: -19.6%
 QQQ: -33.1%



Line Item	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenue	10,454.3	9,797.0	12,396.4	14,001.1
Growth %	na	-0.0%	20.0%	12.9%
EBITDA	418.4	391.5	635.3	748.9
Margin %	4.0%	4.0%	5.1%	5.3%
Net Income	144.1	(51.4)	248.9	22.5
Margin %	1.4%	-0.5%	2.0%	0.2%

Some Automotive, Inc. operates as an automotive retailer in the United States. It operates in three segments, Franchised Dealership, Corporation, and Franchise. The Franchised Dealership segment is involved in the sale of new and used cars and light trucks, and replacement parts, provision of vehicle maintenance, insurance, financing services, and other services. The Corporation segment sells used cars and light trucks and manages franchise and franchisee relationships, and other services. The Franchised Dealership segment sells new and used passenger vehicles, such as motorcycles, and personal watercraft and motor vehicles, and offers finance and insurance services. Some Automotive, Inc. was incorporated in 1997 and is based in Canton, North Carolina.

Business Description

Exhibit 18
 (USD Millions)

with

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
Historical and Forecasted National Economic Growth Rates
As of December 31, 2022

Exhibit 16

Period	Historical Real GDP Growth (1)(2)	Historical Inflation Growth (CPI) (1)(2)	Historical Nominal GDP Growth (1)(2)	Forecasted Real GDP Growth (3)(4)	Forecasted Inflation Growth (CPI) (3)(4)	Forecasted Nominal GDP Growth (5)
6/30/2008	1.4%	4.9%	3.2%	2.8%	2.5%	5.4%
12/31/2008	-2.5%	0.0%	-0.7%	2.7%	2.4%	5.2%
6/30/2009	-4.0%	-1.3%	-3.3%	2.7%	2.4%	5.2%
12/31/2009	0.1%	2.6%	0.3%	2.8%	2.4%	5.3%
6/30/2010	2.9%	1.1%	4.2%	2.9%	2.5%	5.5%
12/31/2010	2.8%	1.4%	4.5%	2.8%	2.5%	5.4%
6/30/2011	1.7%	3.5%	3.9%	2.7%	2.4%	5.2%
12/31/2011	1.5%	3.1%	3.5%	2.7%	2.4%	5.2%
6/30/2012	2.4%	1.7%	4.2%	2.7%	2.4%	5.2%
12/31/2012	1.6%	1.8%	3.6%	2.6%	2.4%	5.1%
6/30/2013	1.5%	1.7%	3.2%	2.6%	2.5%	5.2%
12/31/2013	3.0%	1.6%	4.7%	2.6%	2.3%	5.0%
6/30/2014	2.7%	2.1%	4.7%	2.5%	2.3%	4.9%
12/31/2014	2.7%	0.7%	4.2%	2.5%	2.3%	4.9%
6/30/2015	3.3%	0.2%	4.3%	2.5%	2.2%	4.8%
12/31/2015	2.1%	0.6%	2.9%	2.3%	2.3%	4.7%
6/30/2016	1.5%	1.1%	2.4%	2.2%	2.3%	4.6%
12/31/2016	2.2%	2.1%	3.5%	2.2%	2.3%	4.6%
6/30/2017	2.3%	1.6%	3.9%	2.2%	2.3%	4.6%
12/31/2017	3.0%	2.1%	5.0%	2.2%	2.3%	4.6%
6/30/2018	3.3%	2.8%	6.9%	2.2%	2.3%	4.6%
12/31/2018	2.1%	2.0%	4.4%	2.1%	2.2%	4.3%
6/30/2019	2.2%	1.6%	3.9%	2.1%	2.3%	4.4%
12/31/2019	3.2%	2.3%	4.7%	2.0%	2.2%	4.3%
6/30/2020	-7.5%	0.7%	-6.9%	2.2%	2.0%	4.2%
12/31/2020	-1.1%	1.3%	0.6%	2.2%	2.2%	4.5%
6/30/2021	12.0%	5.3%	17.0%	2.2%	2.5%	4.8%
12/31/2021	5.4%	7.2%	11.9%	2.1%	2.4%	4.6%
6/30/2022	1.9%	8.6%	9.7%	2.1%	2.6%	4.7%
12/31/2022	0.7%	6.4%	7.1%	1.9%	2.5%	4.5%
Mean	1.8%	2.4%	4.0%	2.4%	2.4%	4.8%
Median	2.1%	1.7%	4.0%	2.4%	2.4%	4.6%

Notes:
(1) Source: Capital IQ
(2) Year over year growth
(3) Source: Livingston Survey
(4) 10-Year forecast
(5) Calculated as ((1+Real GDP)^(1+CPI))-1

withheld

212 Motors Columbia LLC
Valuation of 212 Motors Columbia LLC
National Economic Indicators
As of December 31, 2022

Exhibit 17

Period (1)	1-Year U.S. Treasury Bond	10-Year U.S. Treasury Bond	U.S. Treasury Bond Spread	Income Per Capita - Chained Dollars	Unemployment Rate	WTI Crude Oil	Loading Indicators Index (LEI) (2)	Consumer Confidence Index (CCI) (3)	Business Conditions Index
8/30/2016	0.45%	1.49%	1.04%	43,480	4.9%	48.70	99.9	87.4	45.4
9/30/2016	0.59%	1.60%	1.01%	43,647	5.0%	44.53	100.4	103.5	49.6
12/31/2016	0.85%	2.45%	1.60%	43,845	4.7%	52.69	100.8	113.3	63.8
3/31/2017	1.03%	2.40%	1.37%	44,233	4.4%	48.01	102.5	124.9	56.5
6/30/2017	1.24%	2.31%	1.07%	44,547	4.3%	43.01	103.6	117.3	55.5
9/30/2017	1.31%	2.33%	1.02%	44,878	4.3%	50.68	104.6	120.6	49.7
12/31/2017	1.76%	2.40%	0.64%	45,080	4.1%	58.25	106.9	123.1	56.3
3/31/2018	2.09%	2.74%	0.65%	45,498	4.0%	65.60	109.2	127.0	54.0
6/30/2018	2.33%	2.85%	0.52%	45,846	4.0%	69.02	110.6	126.4	55.0
9/30/2018	2.59%	3.05%	0.46%	46,257	3.7%	70.60	112.1	135.3	72.5
12/31/2018	2.63%	2.89%	0.06%	46,629	3.9%	45.38	111.8	126.6	65.4
3/31/2019	2.40%	2.41%	0.01%	47,114	3.8%	59.67	112.4	124.2	66.9
6/30/2019	1.92%	2.00%	0.08%	47,026	3.6%	57.35	112.2	124.3	50.0
9/30/2019	1.75%	1.68%	-0.07%	47,281	3.5%	57.92	111.6	126.3	42.8
12/31/2019	1.59%	1.92%	0.33%	47,484	3.6%	60.43	110.9	126.2	39.1
3/31/2020	0.17%	0.70%	0.53%	47,723	4.4%	19.48	106.2	118.8	39.0
6/30/2020	0.16%	0.68%	0.50%	52,411	11.0%	39.72	104.2	98.3	39.5
9/30/2020	0.12%	0.69%	0.67%	50,546	7.9%	41.09	107.3	101.3	56.1
12/31/2020	0.10%	0.93%	0.83%	49,527	6.7%	48.18	109.1	87.1	61.3
3/31/2021	0.07%	1.74%	1.67%	55,387	6.1%	61.43	110.9	114.9	37.2
6/30/2021	0.07%	1.45%	1.38%	51,050	5.9%	71.64	113.6	128.9	37.2
9/30/2021	0.09%	1.52%	1.43%	50,319	4.8%	74.18	115.4	109.8	37.2
12/31/2021	0.39%	1.52%	1.13%	49,546	3.8%	73.69	117.8	115.2	37.2
3/31/2022	1.63%	2.32%	0.69%	48,252	3.6%	113.90	117.6	107.6	37.2
6/30/2022	2.80%	2.88%	0.08%	48,031	3.6%	109.07	115.1	98.4	37.2
9/30/2022	4.05%	3.83%	-0.22%	48,388	3.5%	79.07	113.5	107.8	37.2
12/31/2022	4.73%	3.68%	-0.65%	48,680	3.5%	79.56	110.7	109.0	37.2
Maximum	4.73%	3.68%	1.67%	55,387	11.0%	113.90	117.8	135.3	72.5
Mean	1.44%	2.09%	0.65%	47,507	4.7%	60.78	109.3	115.4	48.7
Median	1.31%	2.31%	0.64%	47,281	4.1%	58.25	110.7	117.3	49.8
Minimum	0.07%	0.66%	-0.65%	43,480	3.5%	19.48	89.8	87.1	37.2

Notes:

- (1) All information sourced from Capital IQ unless otherwise noted.
- (2) The LEI is provided by The Conference Board and is used to predict the direction of global economic movements in future months. The index is composed of 10 economic components whose changes tend to precede changes in the overall economy. The 10 components cover: (1) The average weekly hours worked by manufacturing workers (2) The average number of initial applications for unemployment insurance (3) The amount of manufacturers' new orders for consumer goods and materials (4) The speed of delivery of new merchandise to vendors from suppliers (5) The number of new orders for capital goods unrelated to defense (6) The number of new building permits for residential buildings (7) The S&P 500 stock index (8) The inflation-adjusted monetary supply (M2) (9) The spread between long and short interest rates (10) Consumer sentiment
- (3) The CCI surveys households' plans to make major purchases and their overall current and expected economic condition. Survey questions cover five categories: (1) Current business conditions and employment levels (2) Expectation for business conditions and employment over the next six months (3) Households' plans to make major purchases such as autos, appliances and homes over the next six months (4) Households' vacation plans over the next six months (5) Expectations regarding interest rates, stock prices and inflation over the next six months.

APPENDIX 7 – BIOGRAPHIES



Stuart T. McCallum, ASA
Partner, Automotive Practice Leader
200 S Orange Ave, #1200
Orlando, FL
386.299.3725

Services:

- Transaction Assurance
- Valuation Services
- Profit Enhancement

Industries:

- Automotive Retail
- Automotive Technology
- Manufacturing and Distribution

Professional Affiliations:

- American Society of Appraisers (ASA)

Professional Certifications:

- Accredited Senior Appraiser

Education:

- Bachelor of Science, Economics
 - DePaul University
- Master of Science, Finance
 - DePaul University

Profile

Stuart McCallum is the national automotive practice leader for Withum, a top 25 accounting firm (2019) and one of the top accounting and consulting firms in the automotive industry, serving more than 400 dealerships. He has served on teams representing both buy and sell sides of transactions, conducting diligence and consulting on some of the largest transactions in the space. He has advised on more than \$3 billion in transaction value.

Professional and Industry Insights

Mr. McCallum has focused on valuations related to litigation, estate and gift tax planning, and financial reporting purposes, including valuations of minority and controlling interests of closely held businesses and common and preferred stock. Mr. McCallum has worked with legal counsel on a variety of matters, including marital dissolution, damages, personal goodwill, and shareholder buy-outs. He has been engaged by many of the largest dealership groups to advisor on succession and transaction strategies.

SEMINARS, ARTICLES, & SPEAKING ENGAGEMENTS

Conferences

- "State of the M&A Market," Crowe Horwath DealerFocus Series, October 2015
- "State of the M&A Market," Crowe Horwath CFO Roundtable, April 2016
- "Does it Make Sense to Acquire Dealerships at this Point in the Cycle When Profits May be Falling?," AutoTeamAmerica Buy/Sell Summit, January 2017
- "What You Need to Know About Dealership Valuations," AICPA Dealership Conference, October 2017
- "War Stories: Challenges in Buy-Sells and How to Overcome Them," AutoTeamAmerica Buy/Sell Summit, February 2020

Webinars

- "Blue Sky is Not What it Used to Be," DealersEdge, November 2015
- "How Your Dealership Business Plan May Be Eroding the Value of Your Automotive Enterprise," DealersEdge, January 2016
- "Proposed IRS Regulations Seek to Limit Valuation Discounts," National Automobile Dealers Association, October 2019
- "Start Planning to reduce 2020 Healthcare Insurance Costs and Employee Turnover," DealersEdge, October 2019
- "COVID-19: Steps to Protect Your Business," Chattanooga Chamber of Commerce, March 2020
- "Understanding the New SBA Loan Program," HHM, March 2020
- "Reducing Annual Health Insurance Costs," National Automobile Dealership Association, April 2020
- "A How-To Guide on Preparing for Your PPP Audit," Chattanooga Chamber of Commerce, May 2020
- "Weekly PPP Forgiveness Series," Tennessee Small Business Development Center, June 2020
- "Simple EBITDA Improvements in Pursuit of Mergers and Acquisitions," National Automobile Dealership Association, August 2020
- "Should I Stay or Should I Go – Relocating Your Business to Florida," Withum/OEP, February 2021
- "Retail Automotive Industry Update," Withum, February 2021
- "The Role of SPACs in Dealership Consolidation," Dealers Edge, March 2021

SEMINARS, ARTICLES, & SPEAKING ENGAGEMENTS

External Publications

- "Dealership Value Killer Practices to Avoid," Automotive Buy-Sell Report, August 2016
- "Dealership Value Killer Practices to Avoid, Part II," Automotive Buy-Sell Report, August 2016
- "Changing the Tide on C-Corporation Dealership Sales," Automotive Buy-Sell Report, October 2016
- "Dealership Money-Manager's Playbook: World Class Best Practices for Dealers, GMs, Controllers & Office Managers 2016, Contributor
- "Turnarounds, off-market deals, and neighboring dealerships offer opportunities during a downturn," Automotive Buy-Sell Report, February 2016. "For a Smooth Transition, Plan for Succession Early," Dealer Magazine, March 2017
- "Earn-Outs can Bridge Buyer's and Sellers' Expectations in an Uncertain Market," Automotive Buy-Sell Report, May 2017
- "Strengthening Internal Controls in a Cash Environment," California New Car Dealers Association, November, 2017
- "Start-stop starts up negative feelings," Automotive News, January 22, 2018
- "Maximize Your Return by Selling Your Distressed Dealership," Automotive Buy Sell Report, October 2019
- "What Justifies Massive Multiples for Luxury Auto Dealerships?," Automotive Buy Sell Report, January 2020
- "COVID-19: Developing a Business Preparedness Plan," Chattanooga Free Press, March 18, 2020
- "Dealers have Options to Shore Up Cash," Automotive News, March 23, 2020
- "Applying Marketability Discounts to Controlling Interest Valuations," Tennessee CPA Journal, March/April 2020
- "Treasury Audits, Needs Certifications – How to Survive the Updated PPP Guidance," Chattanooga Trend, May 2020
- "Ohio JLR Dealership Accused of PPP Loan Fraud by Former Sales Rep," Automotive News, October 12, 2020
- "EV-wary Dealers Offered Upwards of \$500,000 to Drop Cadillac," Automotive News, November 23, 2020
- "1 in 5 Cadillac dealers to quit; GM still seeks others," Automotive News, December 13, 2020
- "Car dealers see SPACs as a good option to go public," Automotive News, March 1, 2021
- "Who are the Dealership Disruptors?," Defender – The National Association of Dealer Counsel Newsletter, April 2021
- "Proposed capital gains tax increase spurs car dealers to sell," Automotive News, July 18, 2021

SEMINARS, ARTICLES, & SPEAKING ENGAGEMENTS

Expert Testimony

- Blomquist vs. BB Motors (Case No. 19-3198-MRR)
- Kia Motors America Inc. v. Greenbrier GMC, Inc, et al (Case No. 2:20-cv-00428-RAJ-RJK)

Other Thought Leadership

- "Dealership Management Compensation on Loan Forgiveness," Dealer Vision Volume 1, September 2020
- "Who are the Dealership Disruptors?," Dealer Vision Volume II, February 2021
- "Cybersecurity for Dealerships Podcast Series," Withum, March 2021
- "Say Goodbye to LIBOR," Dealer Vision Volume III, April 2021
- "Know *What* You're Selling," Dealer Vision Volume III, April 2021

212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT K

to Memorandum in Support of Motion to Lift Stay, to
Compel Enforcement of Settlement and Arbitrator's
Award, and for Sanctions and Attorney's Fees

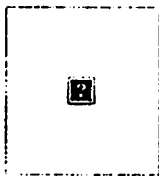
January 16-23, 2024 Email Chain

From: Greg Studemeyer
To: Benjamin Gooding
Cc: John Cuttino; J. Bradley Studemeyer; Sarah Frierson; Dara Carmichael
Subject: Re: 212 v. Malsano - Closing Date
Date: Tuesday, January 23, 2024 10:36:11 AM
Attachments: image002.png

Ben:

I thought I had responded to you yesterday but discovered just now that I forgot to hit send. Your client seems to have more influence over the guys in Florida than we do. If you can convince them to follow directions, and to consider the debt in their evaluation as required by the Operating Agreement, perhaps, we can bring this to a close.

Greg



J. Gregory Studemeyer
Studemeyer Law Firm

7478 Carlisle Street | P.O. Box 1014
Irmo, SC 29063

www.studemeyertlawfirm.com

Office: (803) 393 4399 | Cell: (803) 397 5676



On Tue, Jan 23, 2024 at 10:01 AM Benjamin Gooding <bgooding@robinsongray.com> wrote:

John,

Despite my email yesterday morning and a call to Greg and J. Bradley yesterday afternoon, I have still not heard back about the status of the loan or heard any reason why we are holding up the closing for purchasing Adam's shares. The 30-day deadline for holding the closing has now come and gone and we are no closer to scheduling a closing than when the final report was issued. Further, my client is having to waste more money to pay me to continuously follow up about arranging this closing. At this point, I am going to renew my request that you, as arbitrator, issue an order setting a closing date and setting forth penalties to apply should that order not be complied with. I would also ask for an award of reasonable attorney's fees going forward for any additional time spent trying to bring this matter to a close.

Ben



**ROBINSON
GRAY**


Litigation + Business

BENJAMIN GOODING MEMBER

DIRECT 803.231.7821

2151 Pickens Street
Suite 500
PO Box 11449 (29211)
Columbia, SC 29201

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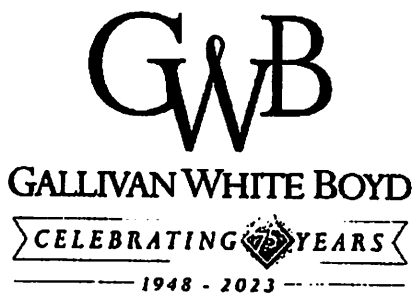
From: John Cuttino <jcuttino@gwblawfirm.com>
Sent: Friday, January 19, 2024 4:31 PM
To: Benjamin Gooding <bgooding@robinsongray.com>
Cc: J. Bradley Studemeyer <jb@studemeyerlawfirm.com>; greg@studemeyerlawfirm.com; Sarah Frierson <sfrierson@robinsongray.com>; Dara Carmichael <dcarmichael@robinsongray.com>
Subject: RE: 212 v. Maisano - Closing Date

All Counsel:

Based on my understanding of the facts, and the terms of the resolution of June 6, 2023, it appears to me that it is time for the Section 8.5 closing to take place. I see no agreed-upon condition/contingency that should delay the closing. The deadline appears to fall on Saturday, January 20. Thus, I suggest the closing be scheduled for, and take place, on *Monday, January 22*.

Regards,

John



John E. Cuttino
Partner
jcuttino@gwblawfirm.com

Gallivan, White & Boyd P.A.
1201 Main Street | Suite 1200 | Columbia SC 29201
803 724 1714 Direct | 803 779 1833 Main | 803 779 1767 Fax
Mailing Post Office Box 7368 | Columbia SC 29202

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this email. Thank you.

From: Benjamin Gooding <bgooding@robinsongray.com>
Sent: Tuesday, January 16, 2024 2:08 PM
To: John Cuttino <jcuttino@gwblawfirm.com>
Cc: J. Bradley Studemeyer <jib@studemeyerlawfirm.com>; greg@studemeyerlawfirm.com; Sarah Frierson <sfrierson@robinsongray.com>; Dara Carmichael <dcarmichael@robinsongray.com>
Subject: 212 v. Maisano - Closing Date

Warning – This email originated outside the GWB email system!

John,

I hope this email finds you well.

At this point, I am afraid I need to request your assistance in bringing this matter to a close. The Parties received Withum's supplemental valuation report on December 21, 2023. Per the Joint Certificate of Action dated June 6, 2023, the Parties have agreed that "no later than 30 days following the appraiser's determination of Interest Value of Maisano's membership interest, the purchase of Maisano's membership interest by the Company will take place at a closing pursuant to § 8.5 of the operating agreements." The 30-day deadline is this Saturday, January 20th. To date, no closing has been scheduled. Accordingly, we would ask you as arbitrator to issue an order requiring the Mr. Studemeyer's clients to schedule the required closing on or before the upcoming deadline or if impossible, before some other reasonable date to be selected by the Arbitrator. If you need me to file a formal motion, please let me know.

Thank you in advance for your assistance.

Ben



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Litigation + Business

BENJAMIN GOODING MEMBER
DIRECT 803.231.7821

2151 Pickens Street
Suite 500
PO Box 11449 (29211)
Columbia, SC 29201

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ELECTRONICALLY FILED - 2024 Feb 23 5:33 PM - LEXINGTON - COMMON PLEAS - CASE#2023CP3200848

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ELECTRONICALLY FILED - 2024 Feb 23 5:33 PM - LEXINGTON - COMMON PLEAS - CASE#2023CP3200848

212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT L

to Memorandum in Support of Motion to Lift Stay, to
Compel Enforcement of Settlement and Arbitrator's
Award, and for Sanctions and Attorney's Fees

January 18-19, 2024 Email Chain

From: Benjamin Gooding
To: Greg Studemeyer; John Cuttino
Cc: J. Bradley Studemeyer; Sarah Frierson; Dara Carmichael
Subject: RE: Re:
Date: Monday, January 29, 2024 3:49:32 PM
Attachments: image002.png

John:

To briefly respond to Greg’s email below. As I have already noted, Withum’s report states that it is “determine[d] the fair market value (“FMV”) of Adam Maisano’s 33.33% interest (the “Subject Interest”) in 212 Motors Holding Group LLC (“212 Motors”) as of December 21, 2022 (the “Valuation Date”) in accordance with section 8.3 of the 212 Motors Holding Group Operating Agreement (the “Operating Agreement”).” This language refers to and mirrors the definition of “Interest Value” set forth in Section 8.3. While I understand that Greg and his clients disagree with the methodology employed and conclusion reached by Withum, that does not change the fact that the parties explicitly agreed in the Combined Certificate of Action that they would “accept the valuations determined by the appraiser as definitive and binding.” This continued argument about the valuation in Withum’s report runs directly afoul of the parties’ express agreement.

The entire purpose of the parties’ agreement was to quickly conclude the ongoing dispute over the value of Adam’s interest in the company. We have already gone back to Withum to have them supplement their report address the value of Adam’s interest (rather than the company as a whole). That resulted in a \$60,000 reduction in value to my client. Despite this massive adjustment, the remaining members continue to argue about Withum’s valuation. Simply put, that is not what we agreed to. The agreed upon process has been complied with and it is time to put this to bed and proceed to closing.

We would therefore request that you enter an order setting a deadline to hold the closing as agreed upon by the parties.

Ben



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BENJAMIN GOODING MEMBER

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From: Greg Studemeyer <greg@studemeyerlawfirm.com>

Sent: Monday, January 29, 2024 12:10 PM

To: John Cuttino <jcuttino@gwblawfirm.com>

Cc: Benjamin Gooding <bgooding@robinsongray.com>; J. Bradley Studemeyer <jb@studemeyerlawfirm.com>

Subject: Re:

John:

Thank you for your email. Before you issue an order, please consider the following:

The Combined Certificate of Action Taken was not created in a vacuum. The only reason for its creation was to assign the task of determining the value of the Company and the *Interest Value* of Maisano's membership interests in the Company as of December 31, 2022, in accordance with a pre-existing operating agreement.

The operating agreement of a limited liability company is a binding contract that governs the relations among the members, managers, and the company. *Clary v. Borrell*, 398 S.E.2d 287, 727 S.E.2d 773 (Ct. App. 2012). Likewise, the Combined Certificate of Action Taken is a contract providing in pertinent part:

WHEREAS, the Undersigned Members agree that the membership interests of member Adam Maisano ("Maisano") will be purchased by the Company at their "Interest Value," as that term is defined in Section 8.3 in each operating agreement executed for the above-mentioned companies (collectively, "the Operating Agreement").

There exists in every contract an implied covenant of good faith and fair dealing. *Hall v. UBS Financial Services*, 435 S.C. 75, 886 S.E.2d 337 (2021). We are bound to interpret the agreement by looking at the entire agreement from beginning to end: precedent explains that when construing a contract, "all of its provisions should be considered, and one may not, by pointing out a single sentence or clause, create an ambiguity" . . . we read agreements in a way that "will give effect to the whole instrument and to each of its various parts and provisions, if it is reasonable to do so." *Herrington v. SSC Seneca Operating Company, LLC*, 435 S.C. 243, 866 S.E.2d 579 (Ct. App. 2021).

Section 8.3 of the operating agreement requires the appraiser to consider the fair market value of the assets **and the amount of the LLC's liabilities**. There is no provision for the liabilities to be ignored.

The only reason for a supplemental valuation report was the implicit acknowledgement of the flaws in the initial report. Among the list of documents considered in Appendix 1 to the supplemental valuation report are the operating agreements of the various entities, each of which require the appraiser to consider the LLC's liabilities. Nonetheless, on page 8 of the supplemental report, Withum acknowledges a debt of \$1,554,070 but inexplicably states: "We offer no opinion how this loan would factor into the Agreement Price as it falls outside the scope of *our determination of fair market value.*"

Withum was not engaged to arbitrarily come up with what it felt was fair. They had a specific task and have yet to consider both the assets and the liabilities of the LLC.

Can you imagine the response you would get if you approached the other shareholders in your law firm, announced that you were leaving, and demanded your share of the firm's assets without an offset for your share of the firm's liabilities?

Interpreting the agreements as a whole as they must be interpreted, the conclusion that Maisano's portion of the debt far exceeds any interest he might otherwise claim in the assets of the LLC is inescapable. The only way to view this otherwise would require you to focus on a single sentence or clause, contrary to settled South Carolina law.

Greg



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On Sat, Jan 27, 2024 at 4:30 PM John Cuttino <jcuttino@gwblawfirm.com> wrote:

All Counsel:

I have looked back through the file to verify my scope of authority. I have likewise reviewed our many emails, the May 4, 2023 Order appointing me as arbitrator, the *Combined Certificate of Action Taken* dated June 6, 2023, and the partial Order I issued via email on June 16, 2023. I am sure everyone will agree the original intent of referring this to arbitration was to resolve it promptly, but for various reasons nearly 9 months have passed since the referral. In light of all the circumstances, and the need for me to issue a ruling (as opposed to attempting to reach mutually agreeable mediated settlement agreement between the parties) so that all parties can move forward, I am inclined to issue the following Order, which also reiterates the text of my June 16, 2023. The paragraph numbers refer to the action items set forth in the June 6, 2023 *Combined Certificate of Action Taken*;

I. The Withum Company/Stuart McCallum is appointed as the appraiser.

IV. Arbitrator's fees are to be paid by "the Company" as defined in the **Combined Certificate of Action Taken**.

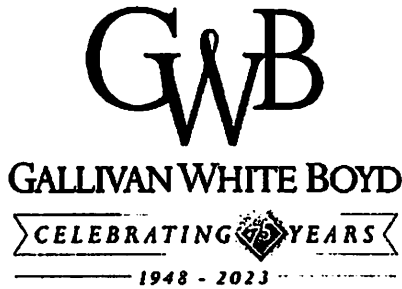
VI. Cost of the appraiser shall be paid by "the Company" as defined in the **Combined Certificate of Action Taken**.

IX. Paragraph IX of the **Combined Certificate of Action Taken** states the members/parties *"...agree that they will accept the valuations determined by the appraiser as definitive and binding"*. In view of this specific provision, the valuation set forth in Withum's supplemental valuation report of December 21, 2023 is binding upon the parties.

X. Per paragraph X. of the **Combined Certificate of Action Taken**, the requisite closing shall be conducted no later than 6PM Eastern time on Thursday, February 1, 2024, unless otherwise agreed to by the parties and the arbitrator.

** If anyone wants to be heard on any point, or has questions of me before I make this Order final, I am available for a conference call anytime MONDAY. I am not available Tuesday as I'll be in an all day mediation.

John



John E. Cuttino
Partner
jcuttino@gwblawfirm.com

Gallivan, White & Boyd P.A.
1201 Main Street | Suite 1200 | Columbia SC 29201
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From: Greg Studemeyer <greg@studemeyerlawfirm.com>
Sent: Friday, January 26, 2024 9:07 AM
To: John Cuttino <jcuttino@gwblawfirm.com>
Cc: Benjamin Gooding <bgooding@robinsongray.com>; J. Bradley Studemeyer <jbs@studemeyerlawfirm.com>
Subject: Re: 212

Warning – This email originated outside the GWB email system!

John:

J. Bradley and I will not be available today. We will be conducting 3 depositions today beginning at 10:00 in accordance with a discovery order issued by Judge Seals.

Thanks,

Greg



J. Gregory Studemeyer
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Office: (803) 393 4399 | Cell: (803) 397 5676

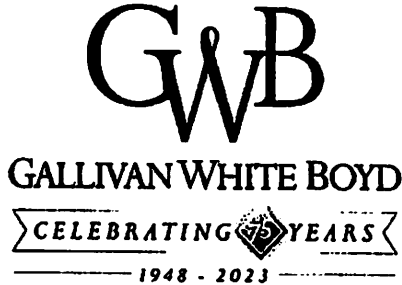


On Thu, Jan 25, 2024 at 4:51 PM John Cuttino <jcuttino@gwblawfirm.com> wrote:

ALL COUNSEL:

I plan to issue an Order tomorrow. If you'd like to be heard on anything, let's set a time tomorrow for a group call. I am available from 8:30AM until 6PM. Let me know what works. If there is nothing you want to be heard on, let me know that also please.

John



John E. Cuttino
 Partner
jcuttino@gwblawfirm.com

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 803 724 1714 Direct | 803 779 1833 Main | 803 779 1767 Fax
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From: Benjamin Gooding <bjgooding@robinsongray.com>
Sent: Thursday, January 25, 2024 4:47 PM
To: greg@studemeyerlawfirm.com; John Cuttino <jcuttino@gwblawfirm.com>; J. Bradley Studemeyer <jbr@studemeyerlawfirm.com>
Subject: RE: 212

Warning – This email originated outside the GWB email system!

J. Bradley and Greg,

I tried to call your office earlier this afternoon and my call went through to voicemail. Please let me know when we are going to proceed with this closing.

Further, I want to address the meeting that has been scheduled for next weeks. First, I do not think that meeting has any bearing on 212's obligation to purchase Adam's ownership interest. Second, Adam cannot make the scheduled meeting time. He has other obligations that will keep him from being able to attend. Third, if you want to discuss Adam's obligation under the loan documents or guaranty, we can do that between the attorneys if you will provide me with the information that has been requested and any proposals your clients would like Adam to consider. Please call me at your earliest convenience to discuss this.

John,

I am going to again renew my motion to set a closing date. I would request we set a time for a telephone hearing on this issue. I am available all day tomorrow after 10:00 am.

Thanks,

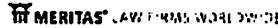
Ben



BENJAMIN GOODING MEMBER

DIRECT 803.231.7821
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From: Benjamin Gooding
Sent: Wednesday, January 24, 2024 5:32 PM
To: Greg Studemeyer <greg@studemeyerlawfirm.com>
Cc: John Cuttino <jcuttino@gwblawfirm.com>; J. Bradley Studemeyer <jib@studemeyerlawfirm.com>
Subject: RE: 212

Greg,

Per the report, Withum has calculated the Interest Value. As it states on the first page, Withum "determine[d] the fair market value ("FMV") of Adam Maisano's 33.33% interest (the "Subject Interest") in 212 Motors Holding Group LLC ("212 Motors") as of December 21, 2022 (the "Valuation Date") in accordance with section 8.3 of the 212 Motors Holding Group Operating Agreement (the "Operating Agreement")." This language mirrors the definition of "Interest Value" set forth in Section 8.3. I am sorry that you disagree with the methodology employed, but ultimately, the parties agreed in the Combined Certificate of Action that they would "accept the valuations determined by the appraiser as definitive and binding." Per the agreement of the parties, it is time for your clients to do just that and set a closing date.

At the end of the day, the Bank is going to do what the Bank is going to do about that loan. We still have not been given any information about the status of loan, despite multiple requests. If need be, I will negotiate with South State regarding Adam's obligations under the loan documents.

Please let us know when and where the closing will take place.


Ben

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From: Greg Studemeyer <greg@studemeyerlawfirm.com>
Sent: Tuesday, January 23, 2024 10:22 AM
To: Benjamin Gooding <bgooding@robinsongray.com>
Cc: John Cuttino <jcuttino@gwblawfirm.com>; J. Bradley Studemeyer <jib@studemeyerlawfirm.com>
Subject: Re: 212

Ben:

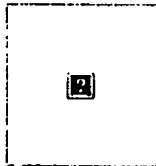
J. Bradley is preparing for another round of contentious depositions later this week so I agreed to respond on his behalf.

A closing can not be scheduled until Maisano's *Interest Value* has been determined. As we have discussed at length, in accordance with Section 8.3 of the Operating Agreement, "The *Interest Value* shall be equal to the fair market value of the Offered Interest, as determined by appraisers selected as provided in this Section 8.3 and considering the fair market value of the LLC's assets; the amount of LLC liabilities, the percentage of ownership represented by that Offered Interest; and the Offering Member's Capital Account, and debt obligations owed to and by the Offering Member to the LLC.

Withum's latest report says that it again did not follow directions. Notwithstanding Withum's recognition that the LLC has total debt of \$1,554,070, ie, **LLC liabilities**, contrary to Section 8.3, Withum chose not to consider the debt. The bank hasn't forgotten about it.

Think of it this way. If Maisano wanted to sell a piece of real estate for \$189,000 with a leaking underground storage tank that would cost \$1,554,070 to remediate, what would you pay for it? As a former boss once told me, he's entitled to all the sugar, he's also responsible for all of the !@#\$.

Greg



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On Mon, Jan 22, 2024 at 11:37 AM Benjamin Gooding <bgooding@robinsongray.com> wrote:

Greg,

Can either you or J. Bradley give me call on this special meeting? I have never been given any more information regarding the SSB loan and don't understand how this meeting is holding up the ability to close on purchasing Adam's shares. Further, I don't understand why a meeting is necessary when

anything that could be done at that meeting that couldn't be done by agreement of the parties, which all could be negotiated through the attorneys.

Ben



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From: Greg Studemeyer <greg@studemeyerlawfirm.com>

Sent: Monday, January 22, 2024 10:50 AM

To: John Cuttino <jcuttino@gwblawfirm.com>

Cc: Benjamin Gooding <bgooding@robinsongray.com>; J. Bradley Studemeyer <jb@studemeyerlawfirm.com>

Subject: Fwd: 212

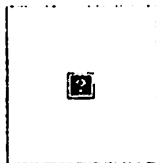
John:

J. Bradley and I participated in a lengthy and contentious deposition on Friday and left for the weekend before the emails between Ben and you came in. Attached is a copy of an email and notice of special meeting that I forwarded to Ben earlier in the week.

If Ben and his client wish to move the special meeting up before the scheduled date, we will do our best to accommodate him.

Thanks,

Greg



J. Gregory Studemeyer
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Office: (803) 393 4399 | Cell: (803) 397 5676



----- Forwarded message -----

From: Greg Studemeyer <greg@studemeyerlawfirm.com>

Date: Thu, Jan 18, 2024 at 2:26 PM

Subject: 212

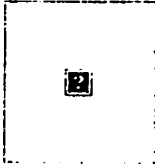
To: Benjamin Gooding <bgooding@robinsongray.com>

Cc: J. Bradley Studemeyer <jb@studemeyerlawfirm.com>

Hey, Ben:

J. Bradley asked me to forward this to you while he's preparing for a deposition tomorrow.

Greg



J. Gregory Studemeyer
Studemeyer Law Firm

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212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT M

to Memorandum in Support of Motion to Lift Stay, to
Compel Enforcement of Settlement and Arbitrator's
Award, and for Sanctions and Attorney's Fees

January 29, 2024

Arbitration Award and Emails

From: [Benjamin Gooding](#)
To: [Greg Studemeyer](#)
Cc: [John Cuttino](#); [J. Bradley Studemeyer](#); [Sarah Frierson](#); [Dara Carmichael](#)
Subject: RE: 212 Motors
Date: Tuesday, January 30, 2024 1:49:55 PM
Attachments: [image001.png](#)
[image007.png](#)

Greg,

This is an arbitration. There is no right to an appeal from arbitration. If you think you have grounds to set aside John's award, please let me know what they are. Otherwise, we are going to have to treat this for what it appears to be: more needless delay that prevents this from being brought to a close. If we have to seek to enforce this award, we will seek attorney's fees and sanctions as part of that motion.

I am happy to discuss by phone. My direct dial is listed below.

Ben



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From: Greg Studemeyer <greg@studemeyerlawfirm.com>
Sent: Tuesday, January 30, 2024 11:21 AM
To: Benjamin Gooding <bgooding@robinsongray.com>
Cc: John Cuttino <jcuttino@gwblawfirm.com>; J. Bradley Studemeyer <jb@studemeyerlawfirm.com>
Subject: Re: 212 Motors

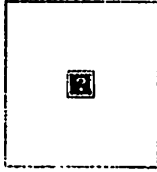
Ben:

There will be no closing. We will challenge this ruling at the next level.

Best,

Greg

| **J. Gregory Studemeyer**



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Office: (803) 393 4399 | Cell: (803) 397 5676



On Mon, Jan 29, 2024 at 9:11 PM Benjamin Gooding <bgooding@robinsongray.com> wrote:

John - Received. Thank you for your prompt attention to this.

Greg and J. Bradley – let me know when you want to schedule the closing.

Ben



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From: John Cuttino <jcuttino@gwblawfirm.com>

Sent: Monday, January 29, 2024 7:52 PM

To: greg@studemeyerlawfirm.com; Benjamin Gooding <bgooding@robinsongray.com>; J. Bradley Studemeyer <jb@studemeyerlawfirm.com>

Subject: 212 Motors

All Counsel:

Thank you both for your emails with additional comments earlier today. Everyone's points are very well taken and appreciated. If nothing else, we can agree this is a difficult situation for all. I reiterate that my charge was to issue a ruling as an arbitrator based on the evidence presented; not to inspire or guide the parties through negotiations in hopes of reaching a mediated settlement agreement. This arbitration proceeding has been unusual; there has been no sworn testimony submitted, no typical evaluation of credibility of witnesses or evidence, and the empirical

"evidence" consists of the Withum reports and the Operating Agreement. Nothing has been cross-examined under oath in the conventional sense. Based upon the May 4, 2023 Order appointing me as arbitrator, the **Combined Certificate of Action Taken dated June 6, 2023**, and the partial Order I issued via email on June 16, 2023, I am issuing the following Order. * The paragraph numbers refer to the action items set forth in the June 6, 2023 **Combined Certificate of Action Taken**;

I. The Withum Company/Stuart McCallum is appointed as the appraiser.

IV. Arbitrator's fees are to be paid by "the Company" as defined in the **Combined Certificate of Action Taken**.

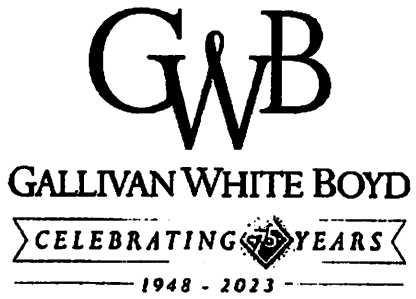
VI. Cost of the appraiser shall be paid by "the Company" as defined in the **Combined Certificate of Action Taken**.

IX. Paragraph IX of the **Combined Certificate of Action Taken** states the members/parties "*...agree that they will accept the valuations determined by the appraiser as definitive and binding*". The valuation set forth in Withum's supplemental valuation report of December 21, 2023 is binding upon the parties. The specific agreement of the parties to be bound appears to have no contingency or provision for objection. Rather, it is admitted by all that the parties have widely divergent opinions on the valuation of Maisano's interest, and that language appears to be intended specifically to avoid unending disagreement about the valuation. This arbitration decision, however, does not turn disproportionately on the aforesaid "definitive and binding" provision. The valuation process inherently includes matters of opinion upon which reasonable minds and experts can disagree, as has happened here. If the valuation was subject to a specific mathematical formula with static components, there presumably would never be any disagreement on valuation.

X. Per paragraph X. of the **Combined Certificate of Action Taken**, the requisite closing shall be conducted no later than 6PM Eastern time on Thursday, February 1, 2024, unless otherwise agreed to by the parties and the arbitrator.

AND IT IS SO ORDERED.

John Cuttino, Arbitrator.



John E. Cuttino
Partner
jcuttino@gwblawfirm.com

Gallivan, White & Boyd P.A.
1201 Main Street | Suite 1200 | Columbia SC 29201
803 724 1714 Direct | 803 779 1833 Main | 803 779 1767 Fax
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212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT N

to Memorandum in Support of Motion to Lift Stay, to
Compel Enforcement of Settlement and Arbitrator's
Award, and for Sanctions and Attorney's Fees

January 29, 2024 Email Chain

From: Benjamin Gooding
To: Greg Studemeyer
Cc: J. Bradley Studemeyer; John Cuttino; Sarah Frierson; Dara Carmichael
Subject: RE: Today's 212 Meeting
Date: Monday, January 29, 2024 11:20:50 AM
Attachments: image001.png

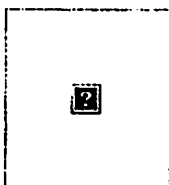
Greg,

Any word on whether the meeting went forward in Adam's absence?

Ben

From: Greg Studemeyer <greg@studemeyerlawfirm.com>
Sent: Monday, January 29, 2024 11:20 AM
To: Benjamin Gooding <bgooding@robinsongray.com>
Cc: J. Bradley Studemeyer <jb@studemeyerlawfirm.com>; John Cuttino <jcuttino@gwblawfirm.com>; Sarah Frierson <sfrierson@robinsongray.com>; Dara Carmichael <dcarmichael@robinsongray.com>
Subject: Re: Today's 212 Meeting

We are preparing a response to John's email on Saturday and will copy you on it later today.



J. Gregory Studemeyer
Studemeyer Law Firm

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Irmo, SC 29063

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On Mon, Jan 29, 2024 at 10:11 AM Benjamin Gooding <bgooding@robinsongray.com> wrote:

J. Bradley and Greg,

I just got off the phone with your assistant. I have been trying to confirm that the member meeting for 212 Motors (that was noticed for today at 10:00am) is not going forward. As I explained last week, Adam has a conflict and cannot attend today's meeting. I want to be sure that the meeting is not taking place in his absence. I am very concerned that you have not conveyed the news that Adam is unavailable to the other members of 212. As I explained to your assistant, I am unable to contact your client directly and am relying on you, as their counsel, to relay information. While I understand you have been busy with other matters, your failure to respond to my repeated attempts to get a hold of you in extremely frustrating and concerning. Please contact me as soon as possible regarding this matter.

Ben



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GRAY**

Litigation + Business

BENJAMIN GOODING MEMBER

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From: Benjamin Gooding

Sent: Monday, January 29, 2024 8:19 AM

To: J. Bradley Studemeyer <jib@studemeyerlawfirm.com>; Greg Studemeyer

<greg@studemeyerlawfirm.com>

Subject: Today's 212 Meeting

J. Bradley and Greg,

As I mentioned last week, Adam is unavailable for the meeting that was noticed for this morning. If one of you could please call me to advise on whether the meeting is proceeding, that would be much appreciated.

Ben



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212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT O

to Memorandum in Support of Motion to Lift Stay, to
Compel Enforcement of Settlement and Arbitrator's
Award, and for Sanctions and Attorney's Fees

January 29, 2024
Special Meeting Minutes



**MINUTES OF SPECIAL MEETING OF
MEMBERS OF
212 MOTORS HOLDING GROUP, LLC
TEAM 212 COLUMBIA, LLC
TEAM 212 FLORENCE, LLC**

A Special Meeting of the Members and officers of 212 MOTORS HOLDING GROUP, LLC; TEAM 212 COLUMBIA, LLC; AND TEAM 212 FLORENCE, LLC (collectively the "Company"), was held at 1255 Knox Abbott Drive, Cayce SC, 29033 at 10:20 a.m. on the 29th day of January, 2024.

Present at the meeting were Jonathan Sanchez, President/Member; Michael Love, Vice President/Member; and Rodney F. Slick, Treasurer/Secretary/Member. Member Adam Maisano was not present at the meeting.

Michael E. Love, Vice President, presided over the meeting. The meeting was declared open. The following actions were reviewed and discussed with specific action taken as outlined below.

- 1. Notice of Special Meeting was provided to all members of the Holding Group pursuant to Section 12.1, "Notices", of the Operating Agreement of 212 Motors Holding Group, LLC. Adam Maisano is not present for the scheduled meeting and has provided no notification of member absence. Members agree to continue meeting without member to resolve imminent company business.**
- 2. South State Bank, N.A. extended credit facility to 212 Motors Columbia on April 7th, 2021. The outstanding principal and interest due and payable to the Bank are due in full on February 22nd,**

2024. Each member of the Holding group unconditionally guaranteed full and punctual payment and satisfaction of 212 Motors Holding Group's debt to the Bank.

3. Members agreed that due to the company's financial position, the company is unable to satisfy the note due February, 22nd, 2024.

4. Members agreed that shareholders must personally satisfy the note with South State Bank with personal funds based on their allocated shareholder portion.

5. Members agreed to issue personal checks for their pro rata share of the bank loan on February 20th, 2024 to insure full and punctual payment for the bank loan.

6. Members agreed to contact South State Bank to request outstanding principal and interest due for payoff. This payoff total would be divided and presented to shareholders based on their pro rata share of membership interest.

7. Membership interest was noted in the meeting: Adam Maisano 33.33%, Jonathan Sanchez 33.33%, Michael Love 20.00%, and Rod Slick 13.34%.

8. Members agreed that each shareholder would provide check payment for their allocated portion of the Loan payoff total on or before February 20th. Checks must be made payable to South State Bank, N.A. and reference Loan Number 17000002635.

9. New business was introduced at the meeting by Michael Love. The company is investigating cutting expenses and all members agree that the company can no longer afford to provide medical insurance premiums and company owned vehicles to noncontributing members.

10. Members agreed that due to the company's financial position, the company must discontinue company sponsored medical insurance coverage and premium payment for member Adam Maisano. Member Adam Maisano is no longer contributing nor has participated in company business since November 22nd, 2022 and thus has been deemed a noncontributing member.

11. Members agree to seek council with company insurance provider to provide cancellation notice and offer Cobra coverage options to Adam Maisano upon discontinuation of company sponsored medical insurance coverage.

12. Members also agreed that due to the company's financial position, Noncontributing member Adam Malsano shall cease use of company provided vehicle and insurance coverage. Adam Maisano is to surrender vehicle to the company immediately but no later than 12:00PM on February 20th, 2024. This date is determined by Members to coincide with the South State Note Member payment due date.

BE IT RESOLVED that each Member will present personal checks for their pro rata share of the South State Bank loan by 12:00PM on February 20th, 2024 to insure full and punctual payment to satisfy the note issued to the Company on April 7th, 2021.

BE IT RESOLVED That noncontributing member, Adam Maisano, will no longer receive company sponsored Medical Insurance coverage and will be provided COBRA options as deemed necessary by insurance carrier.

BE IT RESOLVED that these meeting minutes serve as notification that Adam Maisano is required to surrender company vehicle to 1255 Knox Abbott Drive no later than 12:00PM on February 20th, 2024.

There being no further business to come before the meeting, the meeting was ADJOURNED.

EXECUTED this 30 day of January, 2024.



Rodney F. Slick, Treasurer/Secretary

STATE OF SOUTH CAROLINA)
COUNTY OF LEXINGTON)

IN THE COURT OF COMMON PLEAS
ELEVENTH JUDICIAL CIRCUIT
CASE NO.: 2023-CP-32-00848

212 Motors Holding Group, LLC, 212)
Motors Columbia, LLC, 212 Motors)
Florence, LLC, Team 212 Columbia, LLC,)
and Team 212 Florence, LLC,)

Plaintiffs,)

v.)

MEMORANDUM IN OPPOSITION

Adam Maisano,)

Defendant.)

INTRODUCTION

This is an action to dissociate a member of a South Carolina limited liability company operating a used car lot in Cayce, South Carolina. The parties consented to arbitration, and on May 24, 2023, the Hon. Debra McCaslin issued an Order granting the Plaintiff's motion to compel arbitration. After approximately nine months of unfruitful arbitration, the Defendant has moved to lift stay, compel enforcement of settlement and arbitrator's award, and for sanctions and attorney's fees.

In the words of the arbitrator, "this arbitration has been unusual; there has been no sworn testimony submitted, no typical evaluation of credibility of witnesses or evidence, and the empirical 'evidence' consists of the Withum reports and the Operating Agreement. Nothing has been cross-examined under oath in the conventional sense." Email from John Cuttino to J. Gregory Studemeyer, J. Bradley Studemeyer, and Benjamin Gooding (January 29, 2024, 7:52 PM EST) (on file with author). As the Court's file reflects, the Defendant has not filed a motion to confirm an award because no award has been made.

Since the purpose of arbitration has been frustrated, resulting in considerable delay and unreasonable expense, the Plaintiffs consent to and join in the Defendant's motion to lift the stay and request that this matter be restored to the nonjury docket. The Plaintiffs oppose the remaining relief sought by the Defendant.

PROCEDURAL HISTORY

Rodney Slick ("Slick"), Michael Love ("Love"), Jonathan Sanchez, and Adam Maisano ("Maisano") are each members of 212 Motors Holding Group, LLC; Team 212 Florence, LLC; and Team 212 Columbia, LLC (collectively, "212 Motors").

On June 30, 2020, the four members of 212 Motors Holding Group, LLC executed an Amended and Restated Operating Agreement ("the Operating Agreement"). The Operating Agreement contains a "Transfer of Membership Interests" section. On or about June 30, 2020 and on or about November 24, 2020, the members of Team 212 Florence, LLC, and Team 212 Columbia, LLC, respectively, executed Amended and Restated Operating Agreements with identical sections on the "Transfer of Membership Interests."

This action commenced with the filing of a Summons and Complaint on March 3, 2023. On March 9, 2023, counsel for the Plaintiffs filed an Affidavit of Service by Certified Mail and attached thereto a copy of the original return receipt indicating receipt of the mailing on March 7, 2023.

On April 25, 2023, the Plaintiffs filed a Motion to Stay and to Compel Arbitration. On May 8, 2023, counsel for Maisano filed a notice of appearance. Maisano did not then, or at any time thereafter, file an answer. On May 24, 2023, the court entered an Order granting the Plaintiffs' Motion to Stay and to Compel Arbitration.

On June 6, 2023, the four members of 212 Motors executed a Combined Certificate of Action Taken, the purpose of which was to amend procedures for the transfer of a member's membership interests set forth in the Operating Agreement. The second paragraph of the Combined Certificate of Action Taken reads as follows:

WHEREAS, the Undersigned Members agree that the membership interests of member Adam Maisano ("Maisano") will be purchased by the Company at their "Interest Value," as that term is defined in § 8.3 in each operating agreement executed for the above-mentioned companies (collectively, "the Operating Agreement").

[emphasis added].

The "Interest Value" is defined by the Operating Agreement as an amount Equal to the fair market value of the Offered Interest, as determined by appraisers selected as provided in this Section 8.3 and **considering the fair market value of the LLC's assets, less an imputed sales commission equal to seven percent (7%) of the fair market value of the LLC's assets; the amount of LLC liabilities, the percentage of ownership represented by that Offered Interest; and the Offering Member's Capital Account, and debt obligations owed to and by the Offering Member to the LLC.**

[emphasis added].

§ 8.3 of the Operating Agreement provides that "Offering Member and the LLC shall each select one (1) appraiser to determine the Interest Value of the Offered Interest." While § 8.3 of the Operating Agreement provides instruction for a scenario in which the appraisers disagreed as to the Interest Value of the Offered Interest, it did not provide a method for selecting a third appraiser where the two appraisers could not agree upon a neutral appraiser. The Combined Certificate of Action Taken was executed because the appraisers could not agree upon a neutral appraiser.

The members agreed to amend the Operating Agreement only to the extent necessary to unlock the stalemate and expedite resolution. Specifically, the parties agreed to submit to arbitration conducted by a single arbitrator rather than a panel of three arbitrators, and to submit

the selection of a neutral appraiser to the arbitrator. The appraiser would then “value [212 Motors] and the Interest Value of Maisano’s membership interests in the Company as of December 31, 2022.” [emphasis added]. The members agreed that they would “accept the valuations determined by the appraiser as definitive and binding.” The members further agreed that “no later than 30 days following the appraiser’s determination of the Interest Value of Maisano’s membership interests, the purchase of Maisano’s membership interests by [212 Motors] will take place at a closing pursuant to § 8.5 of the operating agreements.” [emphasis added].

This procedure was intended to provide for the sale of Maisano’s membership interests at their Interest Value in a fair and expeditious manner. Instead, more than a year after this case began, the parties still have not proceeded to closing. The appraiser recommended by Maisano and selected by the arbitrator failed and refused to determine the Interest Value of Maisano’s membership interests in accordance with § 8.3 of the Operating Agreement.

In addition to their involvement with 212 Motors, Slick and Love are involved with the management of Love Automotive Group, a dealership group with two new vehicle dealerships in the Midlands. Because of Love’s membership in 212 Motors, counsel for Maisano insisted that the appraisal could not be performed by any local valuation expert. Specifically, counsel for Maisano argued that Love’s reputation in the automotive community created an unfair risk of bias in favor of 212 Motors and against Maisano. Maisano produced no evidence in support of this argument.

212 Motors, on the other hand, argued that a local valuation expert would be most familiar with local market conditions (and therefore best positioned to produce a fair valuation for all parties), would cost less than an out-of-town firm, and would be able to proceed efficiently due to the ease of access to the members and all relevant records.

The arbitrator selected Stuart McCallum of Withum Smith+Brown, PC (“Withum”) to serve as the appraiser. Mr. McCallum and his team are based in Orlando, Florida. Withum does not maintain an office in South Carolina, North Carolina, or Georgia. In the course of conducting his appraisal, McCallum never travelled to South Carolina and, upon information and belief, never met with any member of 212 Motors in person.

The remaining members of 212 Motors, though disappointed by the arbitrator’s selection of McCallum, accepted the arbitrator’s decision and complied in every respect with the appraiser’s requests for information. 212 Motors executed and returned an engagement letter with Withum on July 26, 2023. McCallum did not produce any report until November 6, 2023, and, then, did so only after receiving a demand from the arbitrator.

In the introduction to its report, McCallum represented that he used a “Fair Value” standard of value for its appraisal, noting, “Fair Value is a legally created standard of value that lacks a clear and concise definition and is generally used in dissenting and oppressed shareholder disputes.”

“Fair Value” is not the valuation standard mandated by the Operating Agreement. The Operating Agreement is explicit in requiring a *fair market valuation* for the calculation of Interest Value, and McCallum admitted in the report that he could not utilize *any* market-based approach because the databases he relies upon did not contain “a sufficient number of comparable transactions to utilize.” Put simply, McCallum was not familiar with local market conditions and transactions, and therefore could not produce the valuation he had been selected to produce.

212 Motors alerted Maisano, the arbitrator, and the appraiser to both the incorrect standard of value and a series of material errors in the report. After consulting with Mark Swanson and John

Beauston with Moore Beauston & Woodham LLP, 212 Motors requested a conference call between the parties, their retained valuation experts, and McCallum's team at Withum to discuss the report.

The arbitrator convened a conference call on December 14, 2023. On the call, McCallum's associate, Trevor Shaw, first attempted to argue that McCallum's use of fair value instead of fair market value in the report was a harmless error, suggesting that both standards would have produced the same valuation for the business and Maisano's shares. McCallum, eventually, conceded that this claim was not true, and McCallum and Shaw agreed to revise their report to conform to a fair market valuation of Maisano's membership interests. McCallum and Shaw also agreed to review the errors identified throughout the report, including plain scrivener errors.

In the revised report, dated December 21, 2023, McCallum refused to correct any of the material errors identified by 212 Motors. Instead, he simply applied "minority and marketability discounts" to the total determined in the initial report and declared this new value to be the "Interest Value."

In the revised report, McCallum again refused to determine the Interest Value of Maisano's membership interests as required by § 8.3 of the Operating Agreement. Specifically, McCallum refused to subtract an "imputed sales commission equal to seven percent (7%) of the fair market value of the LLC's assets" from its final sum and, even more bizarrely, refused to consider "the amount of LLC liabilities."¹

¹ In addition, the report failed to address, or even mention, the debts Maisano owes to 212 Motors Columbia, LLC and 212 Motors Florence, LLC. See Compl. ¶¶ 34 – 38.

On page 8 of the revised report, McCallum notes, “Columbia has total debt of \$1,554,070 as of the Valuation Date. It is our understanding that this is a loan for working capital purposes, and Mr. Maisano is a co-signer for this loan. We offer no opinion how this loan would factor into the Agreement Price as it falls outside the scope of our determination of fair market value.” [emphasis added]. By refusing to even *consider* “the amount of LLC liabilities” in his valuation, McCallum again failed to determine the Interest Value of Maisano’s membership interests.

While 212 Motors once again brought McCallum’s refusal to calculate the Interest Value of Maisano’s membership interests to the attention of the arbitrator and Maisano, Maisano insisted on proceeding to closing. After 212 Motors refused to do so, Maisano’s Motion to Lift Stay followed. As of the time of filing, the arbitrator has not entered an award in this matter.

LAW

Common sense and good faith are the leading touchstones of the construction of a contract[,] and contracts are to be so construed as to avoid an absurd result. Where one construction would make a contract unusual or extraordinary and another, equally consistent, would make the contract reasonable, fair[,] and just, the latter construction will prevail. *Floyd v. Dross*, 2024 WL 172956 (Ct. App. 2024).

The operating agreement of a limited liability company is a binding contract that governs the relations among the members, managers, and the company. *Clary v. Borrell*, 398 S.C. 287, 297, 727 S.E.2d 773, 778 (Ct.App.2012). Generally, operating agreements are superior to statutory authority where they are in place and address a matter, inasmuch as it is only when an operating agreement is silent as to some matter that statutory law will apply. *Id.*

ARGUMENT

The Amended and Restated Operating Agreement of 212 Motors Holding Group, LLC is a contract that has been in effect since June 30, 2020. This contract mandates a formula for determining the Interest Value of members' membership interests. When the members of 212 Motors executed the Combined Certificate of Action Taken on June 6, 2023, they adopted mechanisms for expediting the arbitration and appraisal process but left unchanged the method by which membership interests would be valued.

212 Motors agreed to purchase Maisano's membership interests at their Interest Value. The Interest Value is the fair market value of the Offered Interest. The fair market value of the Offered Interest is determined by an appraiser considering the fair market value of the LLC's assets less an imputed sales commission equal to seven percent (7%) of the fair market value of the LLC's assets; the amount of LLC liabilities; the percentage of ownership represented by the Offered Interest; the Offering Member's Capital Account, and debt obligations owed to and by the Offering Member to the LLC.

Put differently, as a matter of contract, if an appraisal does not consider each component of the Interest Value as mandated by § 8.3 of the Operating Agreement, any value produced by that appraisal cannot be deemed the Interest Value of a member's membership interest. An appraisal that fails to utilize the correct valuation standard or incorporate each required component of the Interest value is void ab initio.

With his motion, Maisano is attempting to compel a purchase of his membership interests by 212 Motors at a value other than their Interest Value, presumably because the figure generated by McCallum, the one that does not consider the "amount of LLC liabilities," is substantially

higher than the Interest Value of his membership interests. Maisano is, in effect, attempting to leave 212 Motors with his share of the assets and none of the liabilities.

CONCLUSION

Rule 1 of the South Carolina Rules of Alternative Dispute Resolution provides that the rules shall be construed to secure the “just, speedy, inexpensive and collaborative resolution” in every action to which they apply. Rule 1, SCACR. If this is the standard to which arbitration is held, arbitration in this case has failed in its essential purpose. The Plaintiffs have incurred tens of thousands of dollars in expenses that they cannot recoup and that have brought them no closer to resolution of this dispute. For this reason, the Plaintiffs consent to and join in the Defendant's motion to lift the stay and request that this matter be restored to the nonjury docket. The Plaintiffs oppose the remaining relief sought by the Defendant.

STUDEMAYER LAW FIRM, P.C.

By: s/J. Gregory Studemeyer
J. Gregory Studemeyer
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803-393-4399
Attorney for the Plaintiffs

Irmo, South Carolina

February 23, 2024

March 13, 2024. The undersigned reached out to 212 Motors' counsel on March 11, 2024, inquiring as to when 212 Motors would like to close on Maisano's interest. 212 Motors' counsel responded that the closing would not take place because "212 Motors has significant debt and no money." Thus, yet again, the closing date has come and gone, and 212 Motors has failed to comply with the Arbitration Award and the Court's Order affirming the same.

Therefore, Maisano respectfully asks the Court to hold a hearing as soon as possible for 212 Motors and the remaining members to show cause as to why they should not be held in contempt for failure to comply with the Court's March 8, 2024 Order and be subject to sanctions for the same and for their continued bad faith throughout Arbitration and this confirmation proceeding. This motion is based upon the Court's Order dated March 8, 2024, the laws and statutes of this State, and any other written materials to be filed prior to a hearing.

ROBINSON GRAY STEPP & LAFFITTE, LLC

By: s/Benjamin R. Gooding

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Counsel for Defendant

Columbia, South Carolina
March 14, 2024

212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT A

to Defendant Maisano's Motion for Rule to Show Cause

March 8, 2024

Order Lifting Stay and Confirming
Arbitration Award

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
)	
COUNTY OF LEXINGTON	)	ELEVENTH JUDICIAL CIRCUIT
)	
212 Motors Holding Group, LLC, 212	)	Civil Action No. 2023-CP-32-00848
Motors Columbia, LLC, 212 Motors)	
Florence, LLC, Team 212 Columbia,)	
LLC, and Team 212 Florence, LLC,)	
)	
	)	ORDER LIFTING STAY AND
	)	CONFIRMING ARBITRATION
	)	AWARD
)	
vs.)	
)	
Adam Maisano,)	
)	
)	
Defendant.)	
)	

This matter came before the Court on Defendant Adam Maisano’s motion to lift the stay in this case, confirm and compel enforcement of the Arbitrator’s Award, and for sanctions in the form of attorney’s fees and costs. This Court held a hearing on the motion on February 28, 2024. Benjamin R. Gooding, Esq. appeared on behalf of Defendant, and J. Gregory Studemeyer, Esq. appeared on behalf of Plaintiffs 212 Motors Holding Group, LLC, 212 Motors Columbia, LLC, Team 212 Columbia, LLC, and Team 212 Florence, LLC.

After considering the motion, memoranda in support and in opposition as well as supporting exhibits, and arguments of counsel, the Court GRANTS Defendant’s motion in full for the reasons below.

BACKGROUND

Plaintiffs 212 Motors Holding Group, LLC, 212 Motors Columbia, LLC, Team 212 Columbia, LLC, and Team 212 Florence, LLC (collectively, “212 Motors” or the “Company”) are limited liability companies in the used car business and are owned and operated by four members: Adam Maisano, Rod Slick, Jonathan Sanchez, and Michael Love. In November 2022, a dispute

arose among the members regarding management and day-to-day operations of 212 Motors. Soon after, the Parties agreed the remaining members of 212 Motors—Slick, Sanchez, and Love (the “Remaining Members”)—would buy Maisano’s interest under the transfer provision of the Company’s Operating Agreement. After disputes over valuation of Maisano’s interest, the Remaining Members filed this lawsuit on behalf of 212 Motors on March 3, 2023. Before Maisano answered, 212 Motors moved to stay the case and to compel arbitration under section 12.14 of the Operating Agreement. Maisano consented, and the Court issued a Consent Order on May 24, 2023, staying the case pending arbitration and appointing John E. Cuttino as arbitrator (“the Arbitrator”).

On June 6, 2023, the Parties executed a Combined Certificate of Action, which set forth the ground rules and agreements of the Parties for the Arbitration. Among other things, the purpose of Arbitration was for the Arbitrator (1) to select a third appraiser to value Maisano’s interest in 212 Motors as defined in section 8.3 of the Operating Agreement and (2) to order 212 Motors to buy Maisano’s interest in the Company in accordance with that appraisal value. The Parties agreed the appraiser would value “the Company and the Interest Value of Maisano’s membership interests in the Company as of December 31, 2022” and that the Parties would accept that appraiser’s valuations as “definitive and binding.” Pursuant to the agreement, 212 Motors was to buy Maisano’s membership interest at a closing “[n]o later than 30 days following” the appraiser’s valuation.

Both sides then submitted appraiser candidates to the Arbitrator for consideration. On June 16, 2023, the Arbitrator selected Maisano’s candidate: Stuart McCallum, ASA at WithumSmith+Brown, PC. After several months of back forth, McCallum issued a valuation report on November 6, 2023, valuing the fair value of 212 Motors as \$746,000.00, meaning

Maisano's 33.33% interest would be worth \$248,666.67. The Remaining Members objected to this report because it valued the Company's Fair Value not Maisano's individual interest. The Arbitrator permitted them to voice these concerns to McCallum. And on December 21, 2023, McCallum issued a supplemental valuation report, appraising the fair market value of Maisano's individual interest as \$189,000.00, which accounted for a 23.5% discount for his non-controlling interest.

The Remaining Members again objected to the valuation and methodology used by McCallum, claiming he did not use the correct method because he did not consider the Company's liability in valuing Maisano's interest. Maisano disagreed and sought to close on his interest via a buyout under the Combine Certificate of Action. The Remaining Members refused, so Maisano sought relief from the Arbitrator.

On January 29, 2023, the Arbitrator issued an Award requiring the Remaining Members of 212 Motors to conduct the closing—the buyout of Maisano's membership interest—"no later than 6PM Eastern time on Thursday, February 1, 2024" (the "Award"). As for the valuation of Maisano's individual interest, the Arbitrator confirmed McCallum's supplemental valuation—\$189,00.00. The next day, 212 Motors' counsel emailed Maisano's counsel and the Arbitrator, stating "[t]here will be no closing."

When the closing did not take place on February 1, Maisano filed the current motion, asking the Court to lift the stay, confirm and compel enforcement of the Award, and for sanctions in the form of attorney's fees and costs on February 2, 2024.

ANALYSIS

The Parties agreed in their respective memoranda and at the hearing on this matter that the Court should lift the stay. The Parties disagree, however, as to what the Court should do after

lifting the stay. Maisano insists the Court must confirm the Award and order the Remaining Members to buy his interest as valued by McCallum as soon as practicable as agreed to in the Combined Certificate of Action. The Remaining Members argue the Award is not a final award and the Court should still lift the stay but restore this case to the non-jury roster for a bench trial on the valuation of Maisano's interest. Alternatively, at the hearing, the Remaining Members argued the Award should be vacated because the Arbitrator disregarded the law by adopting McCallum's supplemental valuation, which they claim did not follow the transfer provision of the Operating Agreement.

I. A Final Award was Ordered.

As an initial point, the Court finds the Arbitrator's January 29, 2023, email to the Parties was his final Award. Under § 15-48-90 of the South Carolina Code, an arbitration award must be "in writing and signed by the arbitrators joining in the award," and the arbitration must "deliver a copy to each party personally . . . or as provided in the agreement." While the Award was in an email, the Arbitrator has signed it and delivered to the Parties via their counsel. And the Award email concluded with "AND IT IS SO ORDERED." Considering the agreement of the parties, the Arbitrator's order adopting the appraisal value and ordering the closing to take place should be considered a final Award.

The Court also rejects the Remaining Members' argument that the order cannot constitute the Award because the Arbitrator did not hold a hearing. While section 15-48-50 of the South Carolina Code generally contemplates that a hearing shall take place in an arbitration, that section also provides a hearing is a requirement "[u]nless otherwise provided by the agreement." The Parties' June 6 Combined Certificate of Action governs the Arbitration here and sets forth the purpose and procedures of it. That agreement provides in relevant part as follows:

- I. The undersigned Members agree to submit the selection of an appraiser to arbitration;
- II. The undersigned Members agree that this arbitration will be conducted by a single arbitrator rather than a panel of three arbitrators as is required by § 12.14 of the Operating Agreement;
- III. The undersigned Members agree that John E. Cuttino, Esq. will serve as the arbitrator;
- IV. The undersigned Members agree that the arbitrator will determine who will pay the arbitrator's fees;
- V. The undersigned Members agree that the arbitrator's choice of appraiser will be definitive;
- VI. The undersigned Members agree that the cost of the appraiser will be split between Maisano and the Company, with the split determined by the arbitrator;
- VII. The undersigned Members agree that they will cooperate with the requests of the appraiser, including but not limited to, by providing access to all governing documents, books, accounts, and records that the appraiser may deem relevant to the preparation of his report;
- VIII. The undersigned Members agree that the appraiser will value the company and the Interest Value of Maisano's membership interests in the Company as of December 31, 2022;
- IX. The undersigned Members agree that they will accept the valuations determined by the appraiser as definitive and binding;
- X. The undersigned Members agree that no later than 30 days following the appraiser's determination of the Interest Value of Maisano's membership interests, the purchase of Maisano's membership interest by the Company will take place at a closing pursuant to § 8.5 of the operating agreement[.]

Here, as the Arbitrator stated, the Arbitration was "unusual; there [was] no sworn testimony submitted, no typical evaluation of credibility of witnesses or evidence, and the 'evidence' consist[ed] of the Withum reports and the Operating Agreement." But it is clear from the Combined Certificate of Action that the Parties did not intend to proceed to a hearing. The purpose of the Arbitration, as set forth the Combined Certificate of Action, was to value Maisano's interest and then conduct a buyout. The Parties agreed the "valuations determined by the appraiser as definitive and binding," which implies they knew they would not have a hearing on McCallum's valuation. Thus, the Court determines the Arbitrator's January 29 order is the final Award and this case is properly before the Court to confirm the Award.

II. Confirmation of the Arbitration Award.

A written agreement to submit any existing controversy to arbitration, or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties, is valid, enforceable, and irrevocable. *See South Carolina Pub. Serv. Auth. v. Great W. Coal*, 312 S.C. 559, 437 S.E.2d 22 (1993). Unless the court can say with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the dispute, arbitration should be ordered. *Id.* Here, the parties have consented to the provision to compel arbitration under section 12.14 of the Operating Agreement. The parties do not dispute they were bound to arbitrate the dispute but instead dispute the outcome of the arbitration proceedings.

Pursuant to § 15-48-120 of the South Carolina Code, “[u]pon application of a party, the court shall confirm an [arbitration] award, unless . . . grounds are urged for vacating or modifying or correcting the award.” To be sure, “[c]onfirmation is mandatory unless the opposing party has established statutory grounds to vacate, modify, or correct the award.” *Henderson v. Summerville Ford-Mercury, Inc.*, 405 S.C. 440, 454, 748 S.E.2d 221, 228 (2013).

According to these authorities, the Court must confirm the Award unless the Remaining Members urge the Court to vacate or modify the Award under §§ 15-48-130 or -140 of the South Carolina Code. Section 15-48-130(a) provides five grounds on which a party can seek to vacate an arbitration award. Before the hearing, the Remaining Members argued only that the Award was not in fact an award and asked the Court to restore the case to the nonjury docket. At the hearing, counsel for the Remaining Members suggested that, if the Court found there was an Award, the Court should vacate the Award because it constituted a “manifest disregard of the law.” As stated

above, the Court finds the January 29 order is the Award. Thus, the Court considers the Remaining Members' argument asking the Court to vacate the Award.

"Generally, an arbitration award is conclusive and courts will refuse to review the merits of an award." *Gissel v. Hart*, 382 S.C. 235, 241, 676 S.E.2d 320, 323 (2009). Our court of appeals has stated "[t]he scope of judicial review for an arbitrator's decision is among the narrowest known at law because to allow full scrutiny of such awards would frustrate the purpose of having arbitration at all." *Grp. III Mgmt. v. Suncrete of Carolina, Inc.*, 425 S.C. 141, 149, 819 S.E.2d 781, 785 (Ct. App. 2018) (internal quotation marks omitted) (quoting *Three S Del., Inc. v. DataQuick Info. Sys., Inc.*, 492 F.3d 520, 527 (4th Cir. 2007)). "Indeed, 'broad judicial review on the merits would render resort to arbitration wasteful and superfluous.'" *Swentor v. Swentor*, 336 S.C. 472, 484, 520 S.E.2d 330, 337 (Ct. App. 1999) (citation omitted).

The Court shall vacate an arbitration award under § 15-48-130(a)(3) if "[t]he arbitrators exceeded their powers," which includes if the arbitrator "manifestly disregards or perversely misconstrues the law." *C-Sculptures, LLC v. Brown*, 403 S.C. 53, 56, 742 S.E.2d 359, 360 (2013) (quoting *Gissel*, 382 S.C. at 241-42, 676 S.E.2d at 323). Under this high standard, the "governing law ignored by the arbitrator must be well defined, explicit, and clearly applicable" and a manifest disregard occurs only "when the arbitrator knew of a governing legal principle yet refused to apply it." *Gissel*, 382 S.C. at 241, 676 S.E.2d at 323 (citations omitted).

At the hearing, the Remaining Members argued the Arbitrator manifestly disregarded the law by adopting McCallum's supplemental valuation of \$189,000. Specifically, they argue the valuation did not follow the definition of "Interest Value" for Maisano's membership interest as provided in the Operating Agreement because it allegedly did not consider all the considerations listed in the definition of "Interest Value."

The Arbitrator heard arguments from counsel on this issue in writing before he issued his Award and rejected the Remaining Members' argument.¹ The Arbitrator essentially found the valuation, as agreed, was "definitive and binding," and the Combined Certificate of Action did not provide an avenue for objecting to the valuation, and even if it did, the appraisal process is subjective in nature such that experts may disagree.

The Court agrees. The Arbitrator did not exceed his powers in interpreting the "definitive and binding" provision of the Combined Certificate of Action as absolute. Our supreme court has stated that "[e]ven a 'clearly erroneous interpretation of the contract' cannot be disturbed." *Gissel*, 382 S.C. at 241, 676 S.E.2d at 323. Much less a reasonable interpretation. The Arbitrator's interpretation of the "definitive and binding" language was more than reasonable. The Combined Certificate of Action specifically states its purpose—as is the purpose of most arbitrations—was "to proceed with the valuation and sale of Maisano's membership interests in a fair and expeditious manner." To further that purpose, the Parties agreed "the arbitrator's choice of appraiser will be definitive" and they would "accept the valuations determined by the appraiser as definitive and binding." This left no room for quibbling about the valuation or methodology after McCallum determined the value of Maisano's interest.

Additionally, as to the merits of McCallum's valuation or his methodology, while the valuation may not be what the Remaining Members' appraiser would have calculated, the Court agrees with the Arbitrator that "[t]he valuation process inherently includes matters of opinion upon

¹ Arbitrator Cuttono responded that "the valuation set forth in Withum's supplemental valuation report of December 21, 2023 is binding upon the parties. The specific agreement of the parties to be bound appears to have no contingency or provision for objection. Rather, it is admitted by all that the parties have widely divergent opinions on the valuation of Maisano's interest, and that language appears to be intended specifically to avoid unending disagreement about the valuation. This arbitration decision, however, does not turn disproportionately on the aforesaid "definitive and binding" provision. The valuation process inherently includes matters of opinion upon which reasonable minds and experts can disagree, as has happened here. If the valuation was subject to a specific mathematical formula with static components, there presumably would never be any disagreement on valuation."

which reasonable minds and experts can disagree, as has happened here.” The Court finds the Remaining Members’ disagreement is simply with the appropriateness of the methodology employed and conclusion reached by McCallum, which inherently includes subjective inquiries. Neither the Arbitrator—nor McCallum for that matter—knew of a “well defined, explicit, and clearly applicable” legal principle yet “manifestly disregarded” such principle in issuing the Award adopting McCallum’s valuation. The Court declines to wade into those issues further as it would be improper under the Court’s limited role in reviewing this Award. *See Gissel*, 382 S.C. at 241, 676 S.E.2d at 323.

Therefore, because the Remaining Members have not argued a valid ground for vacating the Award under § 15-48-130, but simply disagree with McCallum’s valuation of Maisano’s interest, the Court must confirm the Award under § 15-48-120. The Award—in accordance with the Combined Certificate of Action requiring a closing within thirty (30) days of the valuation—required a buyout of Maisano’s interest by February 1, 2024. Because that date has already passed, the Court finds it appropriate to grant Maisano’s request for a closing as soon as practicable. The Arbitrator set a closing for three business days after the Award. *See* S.C. Code Ann. § 15-48-130 (“[T]he fact that the relief was such that it could not or would not be granted by a court of law or equity is not ground for vacating or refusing to confirm the award.”). Thus, the Court confirms the Arbitrator’s Award adopting the valuation of \$189,000 for Maisano’s interest and orders the closing to take place within three (3) days of the entry of this confirmation order. Further, because neither party challenged the remaining portions of the Award ordering the Company to pay his fees and the costs of the appraiser, those findings are also confirmed in this Order.

III. Attorneys' Fees and Costs.

Maisano also asks the Court to impose sanctions in the form of attorneys' fees and costs against 212 Motors and the Remaining Members under various authorities. The Court finds that Attorney's Fees and Costs are not appropriate under either § 15-48-150 nor the Company's Operating Agreement. The parties to this matter, in good faith, pursued arguments on the merits of the Arbitration process.

CONCLUSION

IT IS THEREFORE ORDERED AND ADJUDGED that, in accordance with the Arbitration Award, 212 Motors buy Maisano's membership interest in the Company for a value of \$189,000 within three (3) business days of this Order.

IT IS SO ORDERED.

[JUDICIAL E-SIGNATURE PAGE TO FOLLOW]



Lexington Common Pleas

Case Caption: 212 Motors Holding Group, Llc , plaintiff, et al VS Adam Maisano
Case Number: 2023CP3200848
Type: Order/Other

It Is So Ordered

s/ Walton J. McLeod

Electronically signed on 2024-03-08 13:09:19 page 11 of 11

ELECTRONICALLY FILED - 2024 Mar 08 1:22 PM - LEXINGTON - COMMON PLEAS - CASE#2023CP3200848

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
)	
COUNTY OF LEXINGTON	)	ELEVENTH JUDICIAL CIRCUIT
)	
212 Motors Holding Group, LLC, 212	)	Civil Action No. 2023-CP-32-00848
Motors Columbia, LLC, 212 Motors)	
Florence, LLC, Team 212 Columbia,)	
LLC, and Team 212 Florence, LLC,)	
)	
	)	<u>MEMORANDUM IN SUPPORT OF</u>
Plaintiffs,	)	<u>DEFENDANT'S MOTION FOR</u>
	)	<u>RULE TO SHOW CAUSE</u>
vs.)	
)	
Adam Maisano,)	
)	
Defendant.)	

Defendant Adam Maisano (“Maisano”), by and through the undersigned counsel, respectfully submits this Memorandum in support of his Rule to Show Cause as to why Plaintiffs 212 Motors Holding Group, LLC, 212 Motors Columbia, LLC, Team 212 Columbia, LLC, and Team 212 Florence, LLC (“212 Motors”) and its remaining members—Michael Love, Rod Slick, Jonathan Sanchez—should be held in contempt for willfully failing to comply with the Court’s Order dated March 8, 2024 (the “Order”).

BACKGROUND

The Court is already familiar with the factual background which led to the Final Arbitration Award from the Arbitrator in this matter. On March 8, 2024, the Court issued an Order, which confirmed the Arbitration Award and ordered 212 Motors to conduct the closing and buy out Maisano’s interest in 212 Motors for \$189,000.00 within three (3) business days of the Order. Thus, the effective deadline for closing was Wednesday, March 13, 2024. On Monday, March 11, 2024, the undersigned reached out to 212 Motors’ counsel inquiring about when 212 Motors was planning to close on Maisano’s interest. 212 Motors’ counsel responded that the closing would

not take place because “212 Motors has significant debt and no money.” Copies of this email exchange are attached as **Exhibit A**.

LAW

“The power to punish for contempt is inherent in all courts. Its existence is essential to the preservation of order in judicial proceedings, and to the enforcement of the judgments, orders and writs of the courts, and consequently to the due administration of justice.” *Cheap-O’s Truck Stop, Inc. v. Cloyd*, 350 S.C. 596, 606, 567 S.E.2d 514, 519 (Ct. App. 2002) (quoting *Curlee v. Howle*, 277 S.C. 377, 287 S.E.2d 915 (1982)). “The purpose of civil contempt is to coerce the defendant to do the thing required by the order for the benefit of the complainant[,]’ while ‘[t]he primary purposes of criminal contempt are to preserve the court’s authority and to punish for disobedience of its orders.’” *Hook v. S.C. Dep’t of Health & Env’t Control*, 439 S.C. 52, 77, 885 S.E.2d 442, 455 (Ct. App. 2023) (quoting *Ex parte Cannon*, 385 S.C. 643, 662, 685 S.E.2d 814, 824 (Ct. App. 2009)).

“Contempt results from the willful disobedience of a court order and before a person may be held in contempt, the record must be clear and specific as to acts or conduct upon which the contempt is based.” *In re Est. of Combis v. Combis*, 439 S.C. 485, 493, 888 S.E.2d 1, 5 (Ct. App. 2023) (quoting *Ex parte Kent*, 379 S.C. 633, 637, 666 S.E.2d 921, 923 (Ct. App. 2008)). Civil contempt must be proven by clear and convincing evidence, and “[o]nce the moving party has made out a prima facie case, the burden then shifts to the respondent to establish his or her defense and inability to comply with the order.” *Widman v. Widman*, 348 S.C. 97, 120, 557 S.E.2d 693, 705 (Ct. App. 2001) (citing *Henderson v. Henderson*, 298 S.C. 190, 197, 379 S.E.2d 125, 129 (1989)). Importantly, a finding of contempt is in the sound discretion of the circuit court. *Id.*

Like any other court order, an order confirming an arbitration award is enforceable through the Court's contempt powers. *See* S.C. Code Ann. § 15-48-150 ("Upon the granting of an order confirming, modifying or correcting an award, judgment or decree shall be entered in conformity therewith and *be enforced as any other judgment or decree.*" (emphasis added)); *see also* *Stafford v. IBM*, 78 F.4th 62, 68 (2d Cir. 2023) ("Confirmation gives 'the winning party . . . a variety of remedies' for enforcement This includes 'plac[ing] the weight of a court's contempt power behind the award, giving the prevailing party a means of enforcement that an arbitrator would typically lack.'" (internal citation omitted) (quoting *Unite Here Loc. 1 v. Hyatt Corp.*, 862 F.3d 588, 596 (7th Cir. 2017))); *Teamsters Local 177 v. UPS*, 966 F.3d 245, 253 (3d Cir. 2020) ("Without a confirmation order, the parties would essentially have to relitigate the case via a suit to enforce the arbitration award. But where there is such an order, and one of parties violates it, the court applies the analysis as when one of its orders is defied—it can penalize the non-complying party through contempt proceedings or the issuance of injunctive relief.").

ARGUMENT

The remaining members of 212 Motors—Michael Love, Rod Slick, Jonathan Sanchez—should be held in contempt for failure to comply with the March 8 Order. These members have willfully disobeyed the Order, which required them to purchase Maisano's interest in 212 Motors for \$189,000 by close of business on March 13, 2024. The remaining members have voluntarily and intentionally failed to comply with the Order and can offer no valid reason for this failure.

"A willful act is one which is 'done voluntarily and intentionally with the specific intent to do something the law forbids, or with the specific intent to fail to do something the law requires to be done; that is to say, with bad purpose either to disobey or disregard the law.'" *Cheap-O's Truck Stop, Inc.*, 350 S.C. at 607–08, 567 S.E.2d at 520 (citation omitted).

Here, the remaining members have disregarded the Court's clear instruction in the Order to repurchase Maisano's interest. This fact cannot be disputed. The only excuse the remaining members have offered for their intentional noncompliance is that "212 Motors has significant debt and no money." Simply put, that is not a valid excuse to not comply.

First, to the extent 212 Motors does not have enough capital on hand to repurchase Maisano's interest, the remaining members are solely responsible for that condition. Maisano has not been involved with management of the Company since November 2022. To the extent the Company does not have enough funds on hand to pay the interest value for Maisano's shares, that is entirely by design. The remaining members have known that this obligation is forthcoming and should not be permitted to intentionally drain the company of assets and claim poverty when it comes time to pay for Maisano. Importantly, "[t]he defense of inability to comply with a court order is not available where the contemnor has voluntarily created the incapacity or, said another way, when the inability to comply is self-induced." *Ex parte Cannon*, 385 S.C. at 665, 685 S.E.2d at 826 (quoting 17 AM. JUR. 2D § 141 (2008)).

Second, the Company has several options to procure sufficient capital to repurchase Maisano's interest. 212 Motors can use existing lines of credit or take out a new loan to pay for Maisano's interest. Alternatively, the Company could make a capital call on the remaining members, which it has done on numerous occasions to cover other expenses for the Company. These two options provide easy means for the Company to quickly collect the moneys necessary to buy Maisano's interest. The fact the remaining members do not want to do this is of no consequence. The bottom line is that they are fully capable of complying with the Order, yet intentionally and willfully disobeyed it.

Third, the Parties' June 6, 2023 Combined Certificate of Action to value and purchase Maisano's interest was not contingent upon 212 Motors' performance or any other factors. To be sure, there was never any mention of the Company's inability to pay until after the remaining members received a valuation with which they disagreed. If the Company did not have sufficient funds to purchase Maisano's interest, it should have stated that at the outset of this process, not at the conclusion.

Finally, the idea that this business cannot afford to pay \$189,000 for Maisano's interest is absurd. This is a used car business that generated more than \$50,000,000 and \$40,000,000 in revenue for 2021 and 2022, respectively. See Exhibit J to Maisano's Mem. in Supp. of Mot. to Compel Enforcement of Arbitration Award. Further, Maisano contributed more than \$400,000 into this Company between his initial investment and a subsequent capital call. Thus, to say the Company cannot come up with \$189,000 to pay for Maisano's interest is disingenuous at best.

Despite being fully capable of conducting a closing on or before March 13, 2024, the remaining members have not done so. They continue to willfully and intentionally disobey the Court's Order, as they did with the Arbitration Award before confirmation. Accordingly, the Court should hold them in contempt in a manner the Court deems proper to punish the remaining members for their intentional failure to comply with the Court's Order and to coerce them into compliance. Further, the Court should award Maisano attorney's fees for having to file this rule to show cause and to compensate him for this additional delay in receiving payment. *In re Estate of Combis*, 439 S.C. at 497, 888 S.E.2d at 7 ("Courts, by exercising their contempt power, can award attorney's fees under a compensatory contempt theory." (quoting *Miller v. Miller*, 375 S.C. 443, 463, 652 S.E.2d 754, 764 (Ct. App. 2007))). Finally, if the Court is to have a in person hearing

on this rule to show cause, Maisano requests that all members be required to attend this hearing to answer any questions the Court may have.

ROBINSON GRAY STEPP & LAFFITTE, LLC

By: s/Benjamin R. Gooding

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Counsel for Defendant Adam Maisano

Columbia, South Carolina

March 20, 2024

212 Motors Holding Group, et al v. Adam Maisano
Civil Case No.: 2023-CP-32-00848

EXHIBIT A

to Defendant Maisano's Memorandum in Support of
Motion for Rule to Show Cause

March 11, 2024
Email String

From: Benjamin Gooding
To: Greg Studemeyer; McLeod, IV, Walton
Cc: Sarah Frierson; Dara Carmichael; Cynthia D. Nygard; McLeod, Walton Law Clerk (Margaret Mullins)
Subject: RE: 212 Motors v. Malsano
Date: Monday, March 11, 2024 5:18:18 PM
Attachments: [image001.png](#)
[image002.gif](#)
[image003.jpg](#)
[image004.jpg](#)
[image005.jpg](#)
[image006.jpg](#)


Judge McLeod,

Thank you for the quick turnaround on your order.

The award is clear that per the agreement of the members, a closing is to take place at which the company will repurchase my client's membership interest. Your order confirming that award is also clear that such a closing is to take place within three business days of the order, which is this Wednesday. As I stated at the hearing, a judgment against 212 Motors does not make my client whole. Part of the entire rationale of agreeing to this process was to avoid litigation and the headache of enforcing/collecting on a judgment. That is why the members agreed to the buy-out procedure outlined in the joint certificate of action that formed the basis of this arbitration. As was also noted at the hearing, my client has not been involved in any part of this business since November 2022. Accordingly, the fact that the company does not have sufficient money on hand to repurchase his shares is entirely by the other member's design and making. The company has other methods by which to quickly access capital, including but not limited to tapping into an existing line of credit or making another capital call on the remaining members. Put simply, the arbitrator's award, which has now been confirmed by the Court, requires that a closing take place. The company should conduct said closing before the applicable deadline or face the contempt powers of this Court.

Best,

Ben

Robinson Gray


BENJAMIN GOODING MEMBER

DIRECT 803.231.7821

[VCARD](#) [VIEW BIO](#)

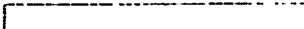
[ROBINSONGRAY.COM](#)

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NOTICE: This e-mail is confidential and may contain information which is legally privileged or otherwise exempt from disclosure. If you received this message in error, please delete this message from your device.

Supporting Green print wisely.

From: Greg Studemeyer <greg@studemeyerlawfirm.com>
Sent: Monday, March 11, 2024 2:35 PM
To: McLeod, IV, Walton <wjmcleodj@sccourts.org>
Cc: Benjamin Gooding <bgooding@robinsongray.com>
Subject: 212 Motors v. Maisano

Judge McLeod:

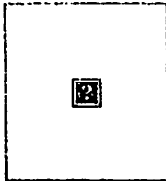
Thank you for taking the time to hear the motion in the above matter on February 28, 2024, and for considering the proposed orders. I received your order on Friday afternoon.

I received an email from opposing counsel bright and early this morning asking about a closing. I have advised that 212 Motors has significant debt and no money. I have offered to review a proposed consent judgment for the amount of the arbitration award and to sign it if appropriate.

Hopefully, this will be the last time you ever hear about this matter.

Best,

Greg



J. Gregory Studemeyer
Studemeyer Law Firm

7478 Carlisle Street | P.O. Box 1014
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motion is filed, after ten days that jurisdiction is lost. *Ness v. Eckerd Corp.*, 350 S.C. 399, 402, 566 S.E.2d 193, 195 (Ct. App. 2002).

A limited liability company is a legal entity distinct from its members. S.C. Code Ann. 33-44-201. The debts, obligations, and liabilities of a limited liability company, whether arising in contract, tort, or otherwise, are solely the debts, obligations, and liabilities of the company. S.C. Code Ann. 33-44-303. A member or manager is not personally liable for a debt, obligation, or liability of the company solely by reason of being or acting as a member of manager. *Id.*

A judgment is void if a court acts without personal jurisdiction. *BB & T v. Taylor*, 369 S.C. 548, 551, 633 S.E.2d 501, 503 (2006). A court generally obtains personal jurisdiction by the service of a summons. *Id.*

Procedural due process requires notice and the opportunity to be heard. *U.S. Const. Amend. XIV; Cameron & Barkley Co. v. South Carolina Procurement Review Panel*, 317 S.C. 437, 440, 454 S.E.2d 892, 894 (1995).

A person cannot be convicted of contempt for violating a court order which fails to tell him in definite terms what he must do. *Welchel v. Boyter*, 260 S.C. 418, 421, 196 S.E.2d 496, 498 (1973). The language must be clear and certain rather than implied. *Id.*

ARGUMENT

In the Order dated March 8, 2024, the Court held,

IT IS THEREFORE ORDERED AND ADJUDGED that, in accordance with the Arbitration Award, 212 Motors buy Maisano's membership interest in the Company for a value of \$189,000 within three (3) business days of this Order.

Order Lift. Stay to Confirm. Arb. Award, P. 10. [emphasis added].

"212 Motors," as used in the Order, refers to the Plaintiffs. (Order Lift. Stay to Confirm. Arb. Award, P. 1). All the Plaintiffs are limited liability companies.

This case was initiated by the filing of a Complaint on March 3, 2023. The Defendant chose to never file an Answer or any other responsive pleading. The Defendant chose to never file a motion under Rule 19, SCRCPP or Rule 20, SCRCPP to join the individual members of the Plaintiffs as parties. The Defendant chose not to file a motion to alter or amend this court's Order Lifting Stay and Confirming Arbitration Award within 10 days of its entry.

Now, after obtaining an Order directing the Plaintiffs, and *only* the Plaintiffs, to purchase the Defendant's membership interests, and allowing that Order to become a final judgment, the Defendant seeks to use his Motion for Rule to Show Cause to accomplish all that he refused to do prior. The Defendant is asking the Court to amend its Order to apply to persons who are not, and never have been, parties to this case, and, further, to hold in contempt persons who have not been ordered to do *anything* by either the arbitrator or the court.

In so doing, the Defendant is necessarily asking the court to overlook Rule 59(e) of the South Carolina Rules of Civil Procedure, the plain language of the South Carolina Uniform Limited Liability Act, and the basic requirements of personal jurisdiction and procedural due process.

This Court entered the Order on March 8, 2024. This Court lost jurisdiction to modify that order when neither the Plaintiffs nor the Defendant filed a motion to alter or amend within 10 days. *Ness*, 350 S.C. at 402, 566 S.E.2d at 195. As a matter of law, then, this Court cannot modify its Order as requested by the Defendant.

However, even if the Defendant had timely filed a motion to alter or amend, the Defendant's request to modify the Order would still fail. The individual members of the Plaintiffs are not liable for the debts, obligations, and liabilities of the Plaintiffs. S.C. Code Ann. § 33-44-403.

The individual members of the Plaintiffs have not participated, nor been given an opportunity to participate, in any stage of the proceedings, nor have they retained counsel to represent their interests in this matter. The individual members of the Plaintiffs have not been served with a summons, and therefore this court has not obtained personal jurisdiction over them. *BB & T*, 369 S.C. at 551, 633 S.E.2d at 503.

Further, the individual members of the Plaintiffs have been given no notice that that their individual property interests might be affected by these proceedings and were not provided with an opportunity to be heard prior to the entry of the Order. Therefore, no due process has been afforded to the individual members of the Plaintiffs. *Cameron & Barkley Co.*, 317 S.C. at 440, 454 S.E.2d at 894.

The Defendant argues that the Court should hold the individual members of the Plaintiffs in contempt because the "members have willfully disobeyed the Order, which required them to purchase [the Defendant's] interest in 212 Motors." Def. Mem. Supp. Mot. Rule Show Cause, p. 3. The Defendant did not cite the Order for this proposition, because the Order contains no such requirement. The Order is silent as to the individual members of the Plaintiffs. Where no conduct whatsoever has been prescribed by the Court for the individual members of the Plaintiffs, it is axiomatic that the individual members of the Plaintiffs cannot be convicted of contempt. *Welchel*, 260 S.C. at 421, 196 S.E.2d at 498.

CONCLUSION

Because this Court's Order did not prescribe any conduct on the part of the individual members of the Plaintiffs, and because this Court lacks jurisdiction to modify the Order, the Defendant's Motion for Rule to Show Cause should be denied as to the individual members of the Plaintiffs.

STUDEMAYER LAW FIRM, P.C.

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Attorney for the Plaintiff**

Irmo, South Carolina

March 22, 2024

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM LEXINGTON COUNTY
Court of Common Pleas

Walton J. McLeod, IV, Circuit Court Judge

Case No. 2023-CP-32-00848

212 Motors Holding Group, LLC,
212 Motors Columbia, LLC,
212 Motors Florence, LLC,
Team 212 Columbia, LLC, and
Team 212 Florence, LLC, Appellants,

v.

Adam Maisano, Respondent.

NOTICE OF APPEAL

212 Motors Holding Group, LLC, 212 Motors Columbia, LLC, 212 Motors Florence, LLC, Team 212 Columbia, LLC, and Team 212 Florence, LLC appeal the order of the Honorable Walton J. McLeod, IV dated March 8, 2024. Appellant received written notice of entry of this order on March 8, 2024.

March 22, 2024

/s/ J. Gregory Studemeyer
J. Gregory Studemeyer
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Attorney for Appellant

Other Counsel of Record:
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Attorney for Respondent

Certificate of Counsel

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

August __, 2024

STUDEMAYER LAW FIRM, P.C.

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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM LEXINGTON COUNTY
Court of Common Pleas

Walton J. McLeod, IV, Circuit Court Judge

Case No. 2023-CP-32-00848

212 Motors Holding Group, LLC,
212 Motors Columbia, LLC,
212 Motors Florence, LLC,
Team 212 Columbia, LLC, and
Team 212 Florence, LLC, Appellants,

v.

Adam Maisano, Respondent.

NOTICE OF APPEAL

212 Motors Holding Group, LLC, 212 Motors Columbia, LLC, 212 Motors Florence, LLC, Team 212 Columbia, LLC, and Team 212 Florence, LLC appeal the order of the Honorable Walton J. McLeod, IV dated March 8, 2024. Appellant received written notice of entry of this order on March 8, 2024.

March 22, 2024

/s/ J. Gregory Studemeyer
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Attorney for Respondent

Certificate of Counsel

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

August 13, 2024

STUDEMEYER LAW FIRM, P.C.

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