XXXXX XXXXX Adjuster, XXXXX XXXX XXXXXX Insurance 0000 XXXX XXXX XXXXXXXX, Idaho 00000-0000

Mr. XXXXX XXXXX and Ms. XXXXXXX XXXXX:

I am writing to you in regards to Claim was impacted in the left-rear by your client, Model 3 driven by my wife was impacted in the left-rear by your client, (Policy number on 2018 September 28. I appreciate your work to date in helping me to get the physical damage to my vehicle repaired. Pursuant to this accident, I have three additional matters that I need addressed in order to make me whole as a result of the damage to my vehicle: diminished value, depreciation, and the rental replacement.

1 Diminished Value

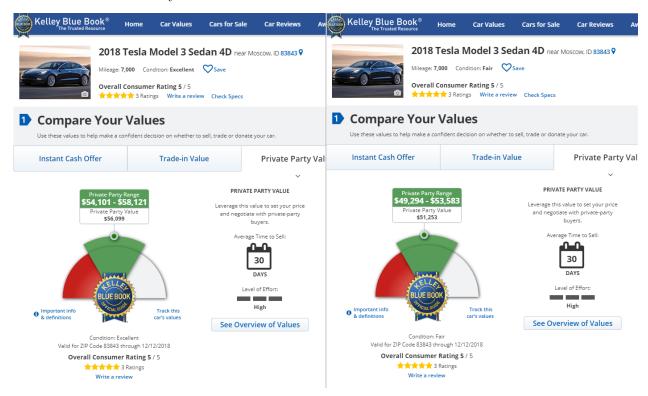
My car is brand new. It was delivered on 2018 March 28. It was therefore 6 months old at the time of the accident. Because of the damage incurred, it is now literally damaged goods. Even if the repairs are completed perfectly, now that the car has an accident on its CarFAX record, future institutional and retail buyers of the car will not be willing to pay as much for it. Nor should they. I wouldn't pay as much for a car that had been in an accident, especially one this new.

I have to admit that I had been considering selling this car or swapping it for a newer model next year once the short-range version with all-wheel-drive option becomes available. Clearly I cannot now reap the same benefit from that sale as I could prior to the accident caused by your client.

I priced out a used vehicle, sold private-party, on Kelly Blue Book's website (kbb.com) on 2018 December 12. I attribute the accident as causing the vehicle to be now rated in "fair" condition, as opposed to its previous "excellent" condition (as it is brand-new). The "excellent" value according to kbb was \$56,099, and the "fair" value was \$51,253, for a difference of \$4846 (see kbb website screencaptures below). That difference comports similarly to estimates for the diminished value of the vehicle based on my reading of the

Tesla Motors Club forum website for others in similar situations.

I therefore request \$4846 for the diminished value of my vehicle as a direct result of the accident attributed to your client.



2 Depreciation

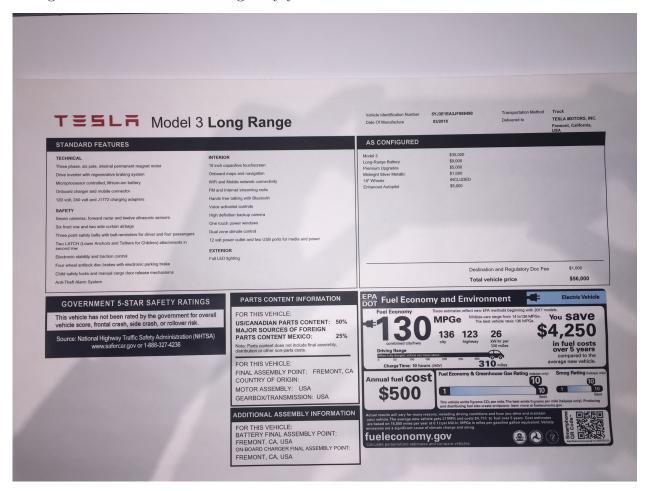
Over and above the lost value due to physical damage, I am losing additional value owing to straightforward depreciation. Your client crashed into a 6-month-old car. I will be receiving back a 10-month-old car. Older cars are worth less than newer cars, and the rate of decrease in value maximizes when the car is age zero.

To quantify this depreciation I look to the depreciation rates of the Tesla Model S, because the Model 3 is so new that the oldest one in existence is only 15 months old. For Model S leases, 36-months 12,000 miles/yr, the residual vehicle value is 58.85% at the end of the lease¹, corresponding to a 41.15% depreciation in 36 months. That's 1.14% per month. Assuming the same percentage decrease for the Model 3 (which seems conservative in that the 1.14%/month is averaged over the 3-year Model S lifespan while depreciation in reality is greater at the beginning and less at the end) and my \$56,000 sticker price (see below),

 $^{^1}$ https://forums.tesla.com/forum/forums/money-factor-and-residuals, see the second reply down, by user "rdd".

that runs to \$638.40/month or \$20.59/day assuming a 31-day month.

I therefore request \$20.59 for each day older that the car I receive back will be relative to the age it was when it was damaged by your client.



3 Rental Vehicle

arraged for me a rental car from Enterprise in that I picked up on 2018 September 28. I returned it on 2018 October 13. I returned it because it sucked.

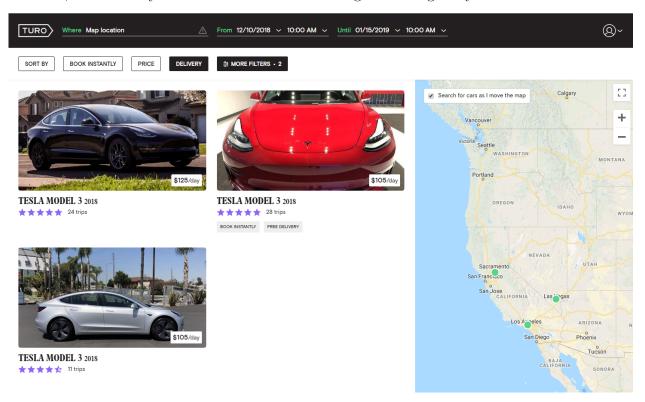
The Tesla Model 3 is a premium electric sedan. If I wanted to drive a gas-guzzling 2-year-old Nissan Maxima I would have bought one of those and saved myself \$40,000. I didn't. The rental vehicle that you provided did not match the standard of the vehicle my vehicle whose use was lost to me owing to the actions of your client.

To address this problem I borrowed a 2016 Tesla Model X P90D from by father,

of ______. Although not a Model 3, this vehicle is actually even more expensive than a Model 3 and has met my needs since 2018 October 14.

Looking to find the actual value of a rented Tesla Model 3, per day, \$105/day is the very cheapest available Model 3 that I found for rent on turo.com in the entire western United States (see below).

I therefore request that you reimburse my father \$105/day, the equivalent rental value of my Model 3, for each day from 2018 October 14 through when I get my car back.



Conclusion

Believe it or not I'm not trying to squeeze you guys: I just want what's fair to put me in an equivalent state to what I would have had in a scenario where the 2018 September 28 collision never took place. Trust me, this is not my idea of a swell time. I wish this had never happened and that I had been able to continue on with my life, happily enjoying my new car. But I'm not able to do that because of the collision that was the fault of your client.

These are the values that I think are a fair representation of the additional monetary damages due me as a result of the accident. If you can convince me that other values would be a

better, more fair representation of these damages, then I would be happy to consider them. If, instead, your company wants to do anything that it can to reduce the payout, then I will not be impressed.

I look forward to hearing back from you with regard to these considerations after you've had a chance to consider them fully,

encl: Copies emailed to and and on 2018 December 12. Hard copies mailed to the and offices 2018 December 12.