



RANDAL M. LEWIS AGENCY

STATE FARM INSURANCE COMPANIES

205 Westgate Plaza Center Streator, Illinois 61364 Phone (815) 673-2770

September 20, 1996

The Fender Menders
325 N. 25th Rd.
Peru, Illinois

Attention: Michael Supan, Owner

Dear Mr. Supan,

I have received your estimate for repairs to our insured, Mr. Donald Beckman for hail damage to his car from an April 1996 storm.

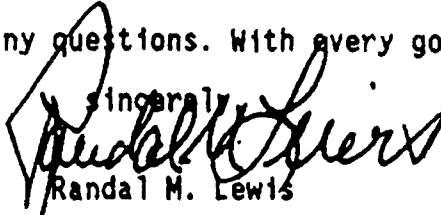
After talking with Mr. Beckman and our adjuster, Mr. Marc Cheffer, I find we (State Farm) do not pay for wet sanding and buffouts. Mr. Cheffer has advised me that most body shops do not do this procedure; But, if they do, they do not charge for same.

I checked with four body shops in Streator and was told by all that wet sanding is usually not a necessary procedure and if they do wet sanding they do not charge the insurance companies.

I realize the market place is changing for the body shop industry. With OEM parts, repairable bumpers, higher insurance deductibles and toughening insurance adjusting by all major insurers, profit margins are narrowing. We too are suffering the narrowing profit margins of the casualty industry. Agents from all major insurance companies have had or will have lower commissions. Insurance rates are so high the government is beginning to step in and people are hostile to ever spiraling increases. With this comes ever tightening in the adjusting of loss estimates like yours.

I wish there were some easy answer. What I tell my body shop partners in Streator is State Farm is not only the biggest auto insurer, they are also the trend setter to the insurance industry. Because of this, what they do in claims adjusting is just around the corner for all insurance companies. It probably is best not to fight State Farm but rather take their business with a little less mark-up and enjoy the volume of work they bring you.

Please call if you have any questions. With every good wish, We remain,

Sincerely,

Randal M. Lewis

CC:

EXHIBIT A