

Volvo Semi

Date of Initial Notification - The 12th of the month

Date Recovery was completed - Six months later

Location - Farmington, New Mexico

Original Equipment Value - \$41k

Situation:

ESX was notified by a leasing client that one of the leasing client's lessees was voluntarily surrendering a leased truck. The leasing company financed a 2011 Volvo VNL630 semi. The truck was used by the company for 16 months, but the business was struggling to make payments. In mid-summer, the truck was brought to a service center due to overheating. The repairs were completed at a cost of \$2,300.00. That is when the lessee abandoned the truck and told the leasing client where they could retrieve the truck.

Challenges:

- The truck was located at a dealership/service center that would not release it without payment for the system check they performed and for the repair of the overheating issue. (\$2,300)
- The dealer advised us that the truck needed brakes, tires, and positive system check before it would be DOT approved.
- The system check would not complete because the NOC sensors failed. We did not know if a completed system check would uncover additional issues.
- The dealership did not want to purchase the truck, with or without the repairs due to the age and the overall appearance of the truck.
- The goal is to always maximize the value of the recovery for our client, so we had to make a recommendation to invest in additional repairs or not.

Scope of Work:

- **Full project management that included the following:**
 - Contact the dealership to further discuss the overall situation, including sunk repair costs, any storage fees, and the additional repair issues they identified to pass DOT inspection.
 - Contact the lessor to discuss the overall condition of the truck and why he had taken it in for service.

- Determine current valuation (without repairs) vs. valuation after repairs.
- Maximize client value.

Project & Truck Details:

- The service center confirmed that replacing the NOC sensors (\$1,500) would likely allow the system check to complete.
- Cost to replace brakes and tires estimated at \$6,000.

Outcome:

The only offer we could generate without a positive system check was \$10k. Net proceeds would have been \$10,000 - \$1,500 - \$2,300 = \$6,200. We rejected the \$10k offer.

We made the decision to replace the NOC sensors and it did result in a positive system check. We got on the phone with all the truck dealers in the region and sold the truck with a clean system check, but still in need of tires and brakes, to a dealer in Albuquerque for \$17,000. Net proceeds \$13,200.