



Prepared For:

VARSIITY PAINTING, INC.

By
American Ratings Corporation
Defining Excellence

August 2005

DIAMOND CERTIFIED® Rating and Certification Report

August 31, 2005

Roland Thoms
Varsity Painting, Inc.
1620 Tice Valley Boulevard
Walnut Creek, CA 94595

Dear Mr. Thoms:

We declare that Varsity Painting, Inc. has scored highest in quality in customer satisfaction, passed each of the necessary rating steps, and earned the Diamond Certified® award.

Our rating was conducted according to rigorous, internally developed certification standards. For Varsity Painting, Inc., these included the following:

- Rating the relative level of customer satisfaction during the previous one to three years. A score of 90.00 or higher was necessary to qualify for Diamond Certified®.
- Verifying state required, professional license(s)
- Confirming the existence of commercial general liability insurance
- Confirming the existence of workers' compensation coverage
- Reviewing complaint bureau statuses
- Evaluating the adequacy of financial condition and absence of significant suits, liens, or judgments.

We believe our rating and evaluation provide a reasonable basis for the certification results presented in this report.

Now that Varsity Painting, Inc. has earned Diamond Certified®, it must maintain these high standards to keep the certification active. Ongoing monitoring of these standards is part of the qualification requirements for Diamond Certified®. This monitoring includes ongoing customer satisfaction research, notification of change of insurance status and participation, if necessary, in the Diamond Certified® mediation process.

Guy Sherman
Vice President of Rating

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RATING METHODOLOGY

In order to determine Varsity Painting, Inc.'s ability to meet the Diamond Certified[®] rating and certification standards, an American Ratings Corporation ("ARC") representative interviewed the Company's senior manager at the Company's place of business to determine the trade or professional services being performed. The Company represents that all license, complaint, insurance, legal, financial and customer record information has been made available to ARC and is sufficient to perform an evaluation of the Company in accordance with American Ratings Corporation's certification criteria. ARC personnel, or their authorized representatives, then independently performed all certification procedures described herein. In our opinion, this report presents fairly the results of our evaluation and the qualification of Varsity Painting, Inc. for Diamond Certified[®].

CERTIFICATION STANDARDS AND RATING RESULTS

PROFESSIONAL STATE LICENSE VERIFICATION:

1. American Ratings Corporation's license certification standard for the Company's trade or profession is compared with the Company's actual licensing status.

Certification Standard:

a. Valid California Contractors State Licensing Board License

2. American Ratings Corporation contacted appropriate state licensing board(s) and confirmed each license is current and valid.

License Status Results:

*a. Current and valid California Contractors State Licensing Board License
#809250*

3. Verification Date: August 9, 2005

Result: Meets the *DIAMOND CERTIFIED*[®] license certification standard

**COMMERCIAL GENERAL LIABILITY AND WORKERS'
COMPENSATION INSURANCE VERIFICATION:**

1. American Ratings Corporation's insurance certification standard for the Company's trade or profession is compared with the insurance types and coverages represented in the Company's certificates of liability insurance.

Certification Standard:

- a. *In-force Commercial General Liability Insurance*
- b. *In-force Workers' Compensation and Employers' Liability Insurance*

2. The Company's insurance agents were contacted, coverage verified and certificates of insurance were obtained.

Insurance Status Results:

- a. *Commercial General Liability Insurance – Potomac Insurance Company of Illinois #M3DATMAA100010GL01*
- b. *Workers' Compensation and Employers' Liability Insurance – State Compensation Insurance Fund #046-14424-05*

3. Verification Date: August 17, 2005

Result: Meets the *DIAMOND CERTIFIED*[®] insurance certification standard

COMPLAINT STATUS REVIEW:

1. American Ratings Corporation utilized industry-specific licensing agencies and the Better Business Bureau in the local market area. These bureaus were contacted and requested to provide the number and nature of complaints received regarding the Company during the most recently available period. Certain complaint and license bureaus supplied detailed information, while others provided a general status condition.

Certification Standard:

- a. *No significant state licensing agency violations or disciplinary actions during the previous three years relative to the company's volume and work product*
 - b. *Satisfactory resolution of all reported complaint issues*
2. American Ratings Corporation may have requested additional details regarding a specific complaint case from the Company. The Company has responded appropriately and provided a specific explanation.

Rating Results:

- a. *No Disciplinary Actions or Notices of Violation during the previous three years*
 - b. *Five complaints have been filed with the Better Business Bureau. "They were closed as: 2 resolved, 1 assumed resolved, and 2 the company addressed the disputed issues even though the situations were not resolved."*
3. Review Date: August 9, 2005

Result: Meets the *DIAMOND CERTIFIED*[®] complaint certification standard

FINANCIAL STATUS REVIEW:

1. American Ratings Corporation utilized commercial credit reporting agencies to assess the financial condition, and review legal actions, if any, which have been recorded against the Company. Financial condition and legal claims were evaluated with respect to the nature of the company's operations and business volume. In certain instances, such information may be unavailable and, consequently, this criterion was not applied.

Certification Standard:

- a. *Satisfactory financial condition with respect to the Company's size and nature of operations.*
 - b. *Absence of significant suits, liens, and judgments relative to the Company's volume and type of business.*
2. Commercial credit reports and records of public filings for the Company were obtained and reviewed. If necessary, the Company was contacted for additional information. The Company responded appropriately and provided a specific explanation.

Rating Results:

- a. *Satisfactory financial condition with respect to the Company's size and nature of operations.*
 - b. *No significant, unexplained suits, liens, or judgments relative to the Company's volume and type of business.*
3. Review Date: August 31, 2005

Result: Meets the *DIAMOND CERTIFIED*[®] financial review certification standard

CUSTOMER SATISFACTION SURVEY:

1. American Ratings Corporation selected a sample of up to 400 records of customers who received service during the previous three-year period. Varsity Painting, Inc. warranted these records were selected from the population of all customers in the service rating area during that period.

Certification Standard:

Minimum Customer Satisfaction Survey composite score of 90.00 on a 100.00 point scale

2. American Ratings Corporation completed a total of 101 phone surveys between August 23, 2005 and August 30, 2005. American Ratings Corporation made up to six re-calls on valid telephone numbers that had not responded, e.g., no answer, busy signal, answering machine, or call back later.

Customer Satisfaction Survey Results:

- a. *Question 1, scale of 1-10 result: 8.733 mean score converted to 87.33 on a 100.00 point scale*
- b. *Satisfaction level of six or greater result: score 95.05
(representing percentage of responses rated six or above)*
- c. *Complaint status result: score 100.00*
- d. *Question 2, loyalty/recommendation result: score 92.08*
- e. *Question 3, satisfaction responses: See response section*
- f. *Question 4, improvement responses: See response section*

Varsity Painting, Inc. Customer Satisfaction Survey composite score: 92.85

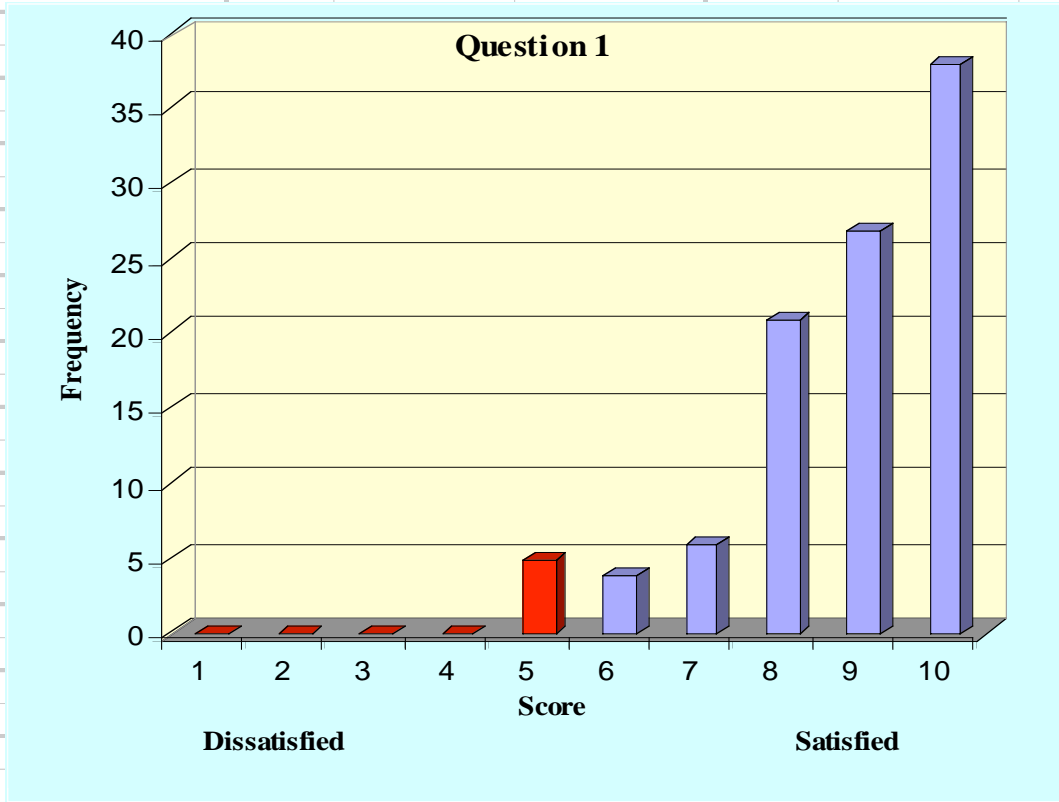
Result: Meets the *DIAMOND CERTIFIED*[®] customer satisfaction survey certification standard

RESEARCH QUESTIONNAIRE

Good (morning / afternoon / evening) this is _____ calling from American Ratings Corporation in reference to Varsity Painting, Inc. We are conducting a confidential customer satisfaction survey. Do you have one minute to answer four questions?

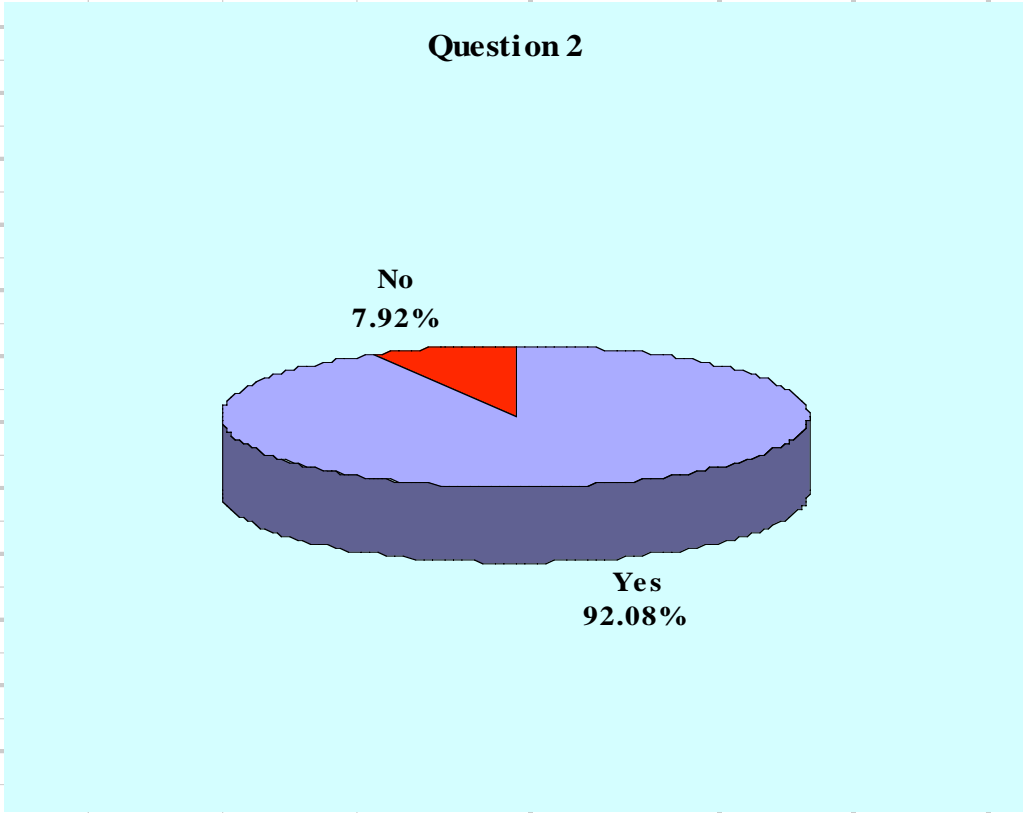
1. On a scale of one to ten, with one being very dissatisfied and ten being very satisfied, how do you feel about the quality you most recently received from Varsity Painting, Inc.?
2. If you needed the services of a painting contractor in the future, would you use Varsity Painting, Inc. again?
3. What did you like best about Varsity Painting, Inc.?

Q1. On a scale of one to ten, with one being very dissatisfied and ten being very satisfied, how do you feel about the quality you most recently received from Varsity Painting, Inc.?



	Score	Frequency	Cumulative Frequency	Percent	Cumulative Percent
Dissatisfied	1	0	0	0.00%	0.00%
	2	0	0	0.00%	0.00%
	3	0	0	0.00%	0.00%
	4	0	0	0.00%	0.00%
	5	5	5	4.95%	4.95%
Satisfied	6	4	9	3.96%	8.91%
	7	6	15	5.94%	14.85%
	8	21	36	20.79%	35.64%
	9	27	63	26.73%	62.38%
	10	38	101	37.62%	100.00%
	Total		101		
Statistical results for 101 observations:					
Mean: 8.733 Standard Deviation: 1.38					
Percent of responses 6-10: 95.05%					

Q2. If you needed the services of a painting contractor in the future, would you use Varsity Painting, Inc. again?



	Value	Frequency	Percent
	Yes	93	92.08%
	No	8	7.92%
	Total	101	100.00%

Q3. What did you like best about Varsity Painting, Inc.?

<u>Count</u>	<u>Q1.</u>	<u>Q2.</u>	<u>Q3. Response</u>
1	10	Y	Their work was very good, and I've recommended them to friends.
2	10	Y	It was very helpful that they took charge and pointed out problems. They answered all of our questions, and they seemed very knowledgeable.
3	10	Y	The job was well done.
4	10	Y	They were courteous, and they worked hard.
5	10	Y	The guy who did the estimate was nice, and they delivered what they said they would. Also, the price was good.
6	10	Y	They were very professional, clean, and overall they did a very good job. Also, they were concerned that we would be satisfied.
7	10	Y	They came out when they said they would and finished the job on schedule.
8	10	Y	They had good supervision, and they were professional.
9	10	Y	They were efficient, friendly, and they did a great job. We were really happy with them.
10	10	Y	They were efficient, polite, responsible, and they really seemed to care about the customer and the work they were doing.
11	10	Y	All the guys were nice. They worked hard, and they did a good job.
12	10	Y	Their customer service was really good, and the guy that was in charge was good to work with.
13	10	Y	They were very thorough with their work, and they paid a lot of attention to details. They did the best they could do, and it turned out to be a nice job.
14	10	Y	I liked that if I had a complaint, they would take care of it.
15	10	Y	They came out on time and did an efficient job. They cleaned up after the job and protected my neighbor's property and cars.
16	10	Y	They were professional, and they cleaned up everything very well. Basically, they did everything they told us they were going to do.
17	10	Y	I liked their thoroughness and quickness in doing the work. Also, the manager came around everyday to supervise the job.
18	10	Y	They were speedy, nice, mannerly, and they cleaned up well.

Q3. What did you like best about Varsity Painting, Inc.?

<u>Count</u>	<u>Q1.</u>	<u>Q2.</u>	<u>Q3. Response</u>
19	10	Y	They did a very good job by paying close attention to details. If I had any questions, or if I wanted something done in a certain way, they would do it right away. They even went ahead and painted the dog house to match our house. Also, they were very personable.
20	10	Y	I thought the painters were very professional and polite.
21	10	Y	I think they did a good job and cleaned up well afterwards.
22	10	Y	They were here on time, and they completed the work promptly. In the end, there was a small problem, but they took care of it. They also cleaned up after they finished.
23	10	Y	They were prompt, and the quality of the work was excellent.
24	10	Y	I liked their initial presentation, their commitment, and their timeliness. Also, they followed up well.
25	10	Y	They were professional and friendly. I liked them a lot, and I was very happy with what they did.
26	10	Y	I like the fact that they use foreign exchange students. I feel those kids have to have some place to start.
27	10	Y	I liked everything. The young men were on time, they cleaned up afterwards, and the price was good.
28	10	Y	They were very efficient, polite, and delightful.
29	10	Y	They were clean, punctual, and they did a good job.
30	10	Y	They didn't leave a mess afterwards.
31	10	Y	I liked Lindsay's professionalism. She was the reason I went with them.
32	10	Y	They kept us updated on everything. They did everything we wanted and everything that they said they were going to do.
33	10	Y	They were neat, and they did a good job. I really like the paint job.
34	10	Y	They were good, very thorough, and they cleaned up afterwards.
35	10	Y	Ryan was very knowledgeable and experienced. Also, I liked his attention to detail and the quality of his work.
36	10	Y	They came in and worked all day.
37	10	Y	I liked the Polish crew. They were very nice.

Q3. What did you like best about Varsity Painting, Inc.?

<u>Count</u>	<u>Q1.</u>	<u>Q2.</u>	<u>Q3. Response</u>
38	10	Y	I liked their willingness to work with me on the color. They were neat and thorough when they painted the metal security doors. Also, Ryan was very professional, eager to please, and straightforward. I just liked their overall friendliness, hard work, and how they stuck with the job until it was completed.
39	9	Y	Their prices were right.
40	9	Y	I was very satisfied with their work. I recently moved to another home, and I would hire them again if I ever need painting at my new house.
41	9	Y	They were efficient and professional.
42	9	Y	I liked Rick and the other guy who was with him. They worked efficiently and did a good job.
43	9	Y	They were very fast, clean, and neat. I've recommended them to several of my friends.
44	9	Y	They came back out and patched up a couple of things that we weren't happy with, and that was after we had paid them.
45	9	N	They did a good job with the exception of the front door. By the way, this was a very difficult house to paint.
46	9	Y	They were nice and it was a lovely experience.
47	9	Y	The man that came to paint the house was very nice. Even though it was a small project, he did a very good job.
48	9	Y	They did what they were supposed to do.
49	9	Y	I liked the fact that they came out and did the job quickly without letting it go on for months.
50	9	Y	Sam was especially fast and accurate.
51	9	Y	I liked their personality and their willingness to please. They tried hard to do a good job.
52	9	Y	They were quick, efficient, and reasonable.
53	9	Y	I forget the woman's name who came out and handled everything well.
54	9	Y	They came out, did the work, and left.
55	9	Y	I liked the personal interaction with them.
56	9	Y	They were efficient and clean.
57	9	Y	They were neat, and they did a good job.
58	9	Y	They did an excellent job.
59	9	Y	They were cordial, thorough, and they followed up. If we had a problem, they were quick to address it. We're going to call them soon to paint a rental we have.

Q3. What did you like best about Varsity Painting, Inc.?

<u>Count</u>	<u>Q1.</u>	<u>Q2.</u>	<u>Q3. Response</u>
60	9	Y	They showed up for all scheduled appointments, and they did exactly what they said they were going to do.
61	9	Y	They were very pleasant to work with, and they seemed concerned about our property by watching out for the plants.
62	9	Y	They were clean, they didn't take too long, and they did a thorough job. Chevy did a really good job.
63	9	Y	They were friendly, and they did a good job.
64	9	Y	I liked the project manager. He was on time, personable, professional, and he followed through with everything he said he was going to. He was a young guy who definitely had the right stuff as far as project management skills are concerned.
65	9	Y	The job turned out very well in the end, and they were willing to come back to fix the little mishaps.
66	8	Y	The painter was very helpful, knowledgeable, and he answered all my questions. I was very happy with their work.
67	8	Y	I liked the work that they did, and I thought they did a very nice job.
68	8	Y	I liked that it was fast.
69	8	Y	I liked the guys who did the work, and the quality of the work was good.
70	8	Y	They were efficient, polite, and they weren't too noisy when they were working on the house.
71	8	Y	They did the job on time.
72	8	Y	They did a nice clean job, and they picked up after themselves. Also, they were concerned that the customers be satisfied with the work.
73	8	Y	I thought the guys that came out had good manners.
74	8	Y	They were very courteous.
75	8	Y	I liked the crew and how well they worked with us as far as getting the job done.
76	8	Y	The painter was very careful with my personal touches.
77	8	Y	I think they did a good job, and they cleaned up well afterwards.
78	8	Y	They got the job finished when they said they would.
79	8	Y	I liked the initial presentation, and they were on time.
80	8	Y	They were timely, friendly, and they didn't disrupt our lives for too long.
81	8	Y	I liked the nice person who did the job.

Q3. What did you like best about Varsity Painting, Inc.?

<u>Count</u>	<u>Q1.</u>	<u>Q2.</u>	<u>Q3. Response</u>
82	8	Y	My contact made it a pleasant experience, and I didn't feel any type of pressure.
83	8	Y	I liked their professional, polite, and business-like approach. When they came out, they brought a binder which showed their work, and they described the process they would use to paint the house. Also, the project manager was very involved in the project. When I would find things I was not satisfied with, they would quickly send out a crew, and the crew would be here on time. What really sold me was their warranty. I'm a general contractor, and for them to offer a two-year warranty convinced me that I would definitely do business with them again. They even followed up with the items I was displeased with and their prices were fair.
84	8	Y	They were on time, and they got the work done in a reasonable amount of time.
85	8	Y	The people who were doing the work were very friendly and accommodating.
86	8	Y	The quality of the paint
87	7	N	Our house looks great.
88	7	Y	They worked neatly and quickly.
89	7	N	The painter and his crew were very polite, conscientious, and they did a very good job.
90	7	Y	The customer service was great, and the people were good.
91	7	Y	They listened to us and fixed any problem.
92	7	Y	They started when they said they would, and the job was done when they said it would be done.
93	6	N	This was the first time we had outside painters. They worked hard, and they were very polite.
94	6	Y	I liked the kids. They were polite, and they worked hard.
95	6	Y	They were pretty quick, they did what they were supposed to do, and they got the job done on time. The house looked good when it was done.
96	6	Y	I would use them to paint my house again. It looks great.
97	5	N	I can't think of anything nice to say about the company.
98	5	N	In the beginning, we were pleased with the contract and the estimate. But, by the time the job was over, we were glad to see them leave.
99	5	Y	I did like the fact that the manager came by everyday to check out what the workers were doing.

Q3. What did you like best about Varsity Painting, Inc.?

<u>Count</u>	<u>Q1.</u>	<u>Q2.</u>	<u>Q3. Response</u>
100	5	N	The young man who came to do the work was nice, and he cleaned up after he was done.
101	5	N	Initially, the presentation was good.

