

Information and Assumptions Regarding Damages, Fees and Costs

If the plaintiff wins, total recovery will be \$150,000

The plaintiff has a 1/3 contingency fee agreement with his/her attorney

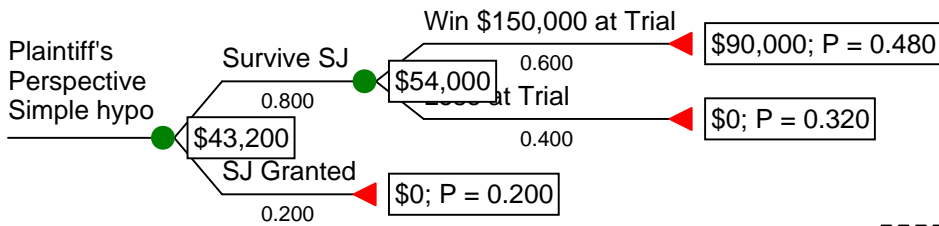
Costs are deducted after the 1/3 fee. Experts' costs, post SJ

If there is no recovery, the attorney will not enforce the plaintiff's obligation to pay the experts' fees.

The EMV of litigation for the Plaintiff is \$43,200.

Settlement at \$64,800 would yield payment of \$43,200 to the plaintiff (after deduction of the 1/3 contingency fee).

Thus, settlement at \$64,800 is equivalent to litigating, without consideration of risk.



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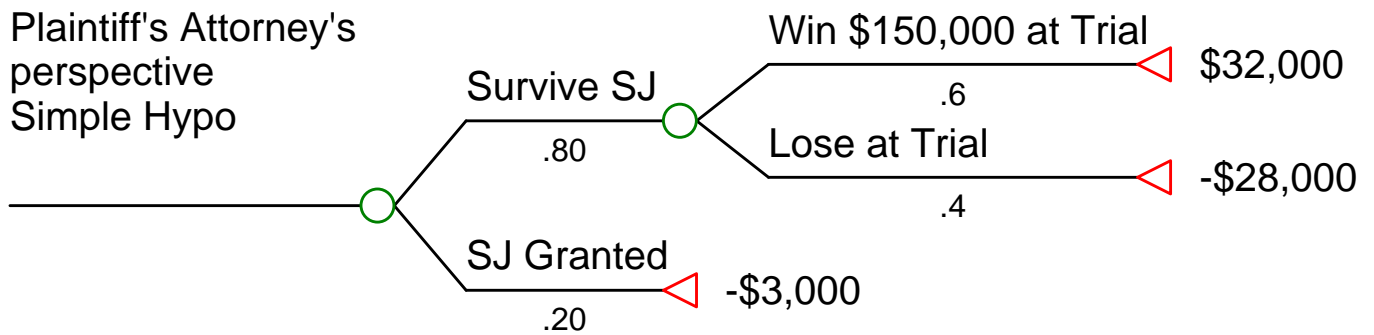
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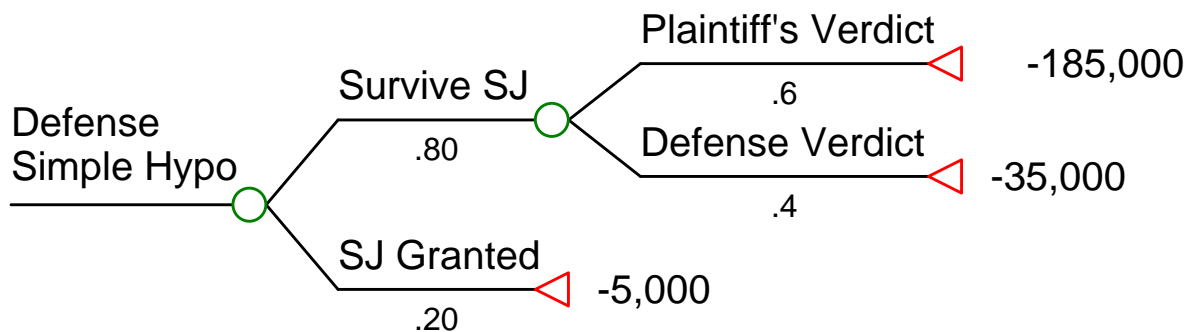
The EMV of trial, from plaintiff's attorney's perspective, is \$5,800.  
Settlement at \$17,40000 also yields \$8,200 for the attorney, without risk.

#### Notes re "Payoffs"

\$150,000 award yields a \$50,000 fee. In the future, the attorney will pay out and then recover \$10,000 in expert fees if his client wins - so expert is net zero - but he must deduct \$18,000 of time expended

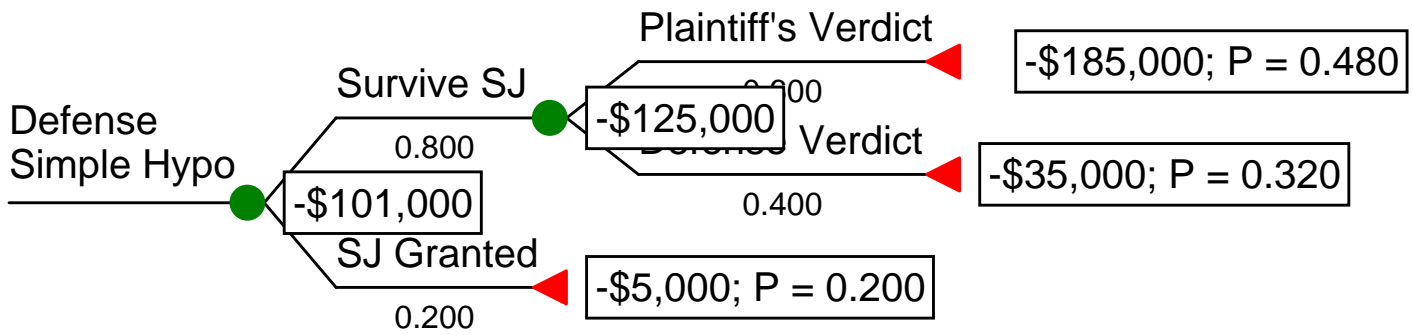
If there is a defense verdict, the \$18,000 cost of the attorney's time, and he will also have paid out \$10,000 in expert costs (not yet expended), that he will not collect if his client loses.

If summary judgment is granted, the \$3,000 cost of the attorney's time must be deducted.



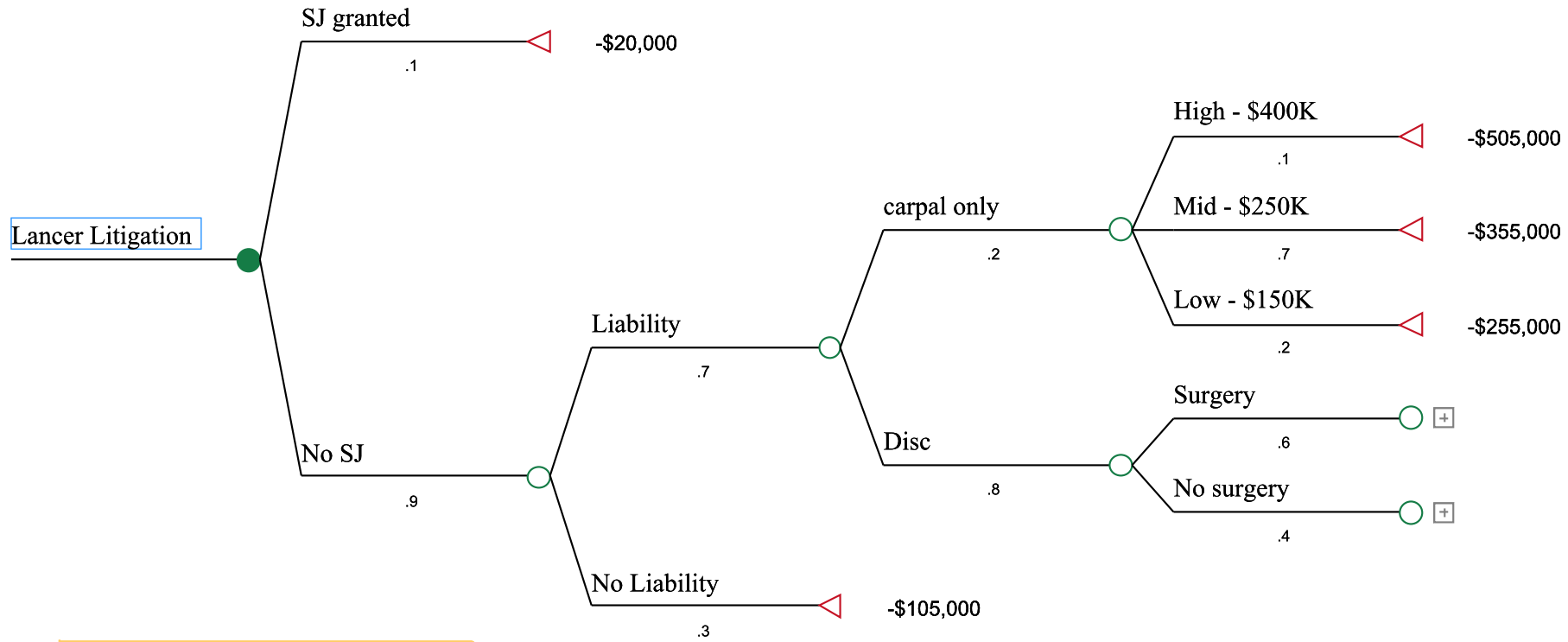
Simple Hypo Tree - Defense Client

Assumes \$150,000 verdict if plaintiff prevails; \$5,000 in attorney's fees to be expended on Summary Judgment; an additional \$20,000 in attorneys' fees and \$10,000 in expert fees to be expended after Summary Judgment through trial. The \$15,000 in attorneys' fees expended previously do not (and should not) be counted.



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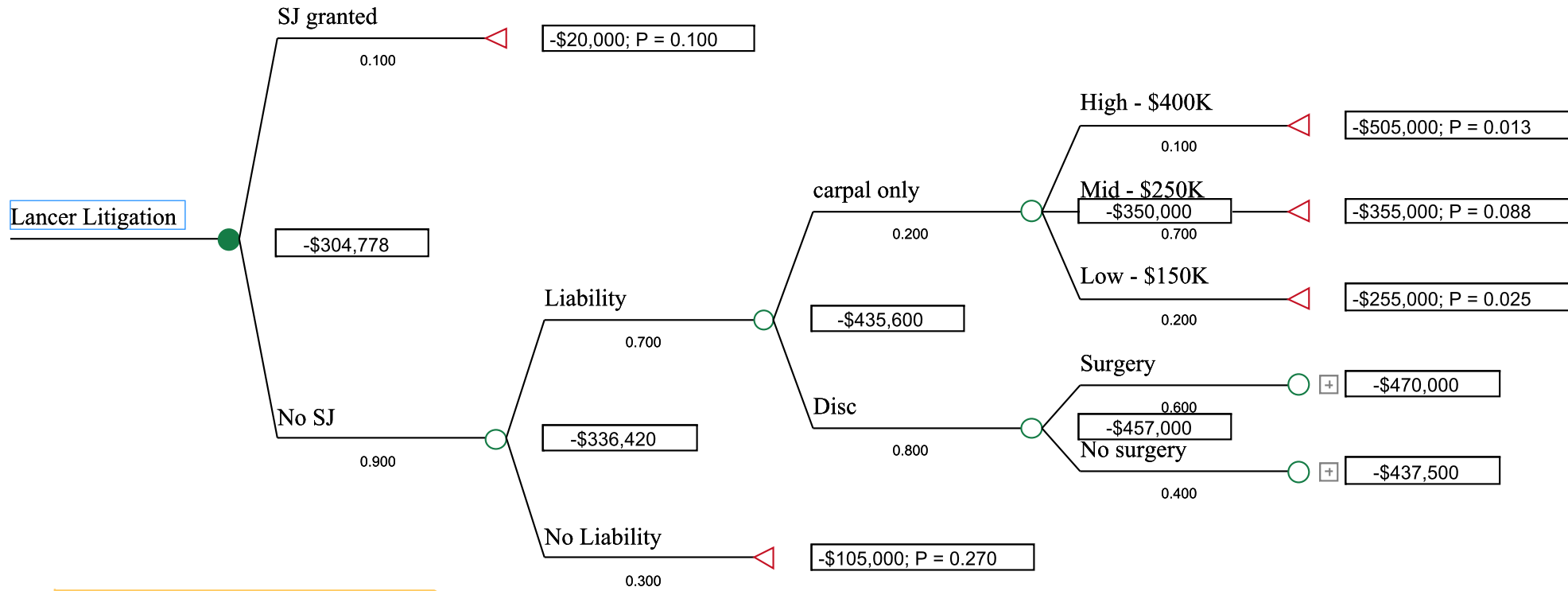


Defense Perspective  
Fee Assumptions:

Defense Attys fees SJ - \$20,000

Expert fees (trial) - \$25,000

Defense Attys fees - trial prep -  
\$60,000



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