

Gillespie, Economic Analysis of Litigation

Item	Amount	Prob%	Eco. Value
Actual Damages = $(\$56,000 - 6125.46 - ((\$56,000 - 6125.46) \times 45\%)) / 3 - \$2,000$	\$ 7,143.67	100%	7,143.67
Punitive Damages (<i>up to</i> 3x actual damages)	\$ 21,431.00	100%	21,431.00
Award of Attorney's Fees	\$0	0%	0.00
Subtotal, Projected Recovery			28,574.66
Bauer's Outstanding Fees	\$ (12,517.41)	0%	0.00
New Attorney fees: review and litigate case through trial	\$ (24,500.00)	100%	(24,500.00)
Cost to Litigate Appeal	\$ (25,000.00)	0%	0.00
Unpaid Judgment to Rodeems (sanctions)	\$ (11,550.00)	100%	(11,550.00)
Subtotal, Projected Costs			(36,050.00)
Non-pecuniary cost of litigation-provoked illness and emotional costs	\$ (100,000.00)	0%	0.00
Subtotal, Non-Pecuniary Costs			0.00
NET VALUE OF CASE (RETURN ON INVESTMENT)			(7,475.34)

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Item	Amount	Prob%	Eco. Value
Actual Damages = $(\$56,000 - 6125.46 - ((\$56,000 - 6125.46) \times 45\%)) / 3 - \$2,000$	\$ 7,143.67	51%	3,643.27
Punitive Damages (<i>up to</i> 3x actual damages)	\$ 21,431.00	25%	5,357.75
Award of Attorney's Fees	\$0	0%	0.00
Subtotal, Projected Recovery			9,001.02
Bauer's Outstanding Fees	\$ (12,517.41)	100%	(12,517.41)
New Attorney fees: review and litigate case through trial	\$ (24,500.00)	100%	(24,500.00)
Cost to Litigate Appeal	\$ (25,000.00)	99%	(24,750.00)
Unpaid Judgment to Rodeems (sanctions)	\$ (11,550.00)	100%	(11,550.00)
Subtotal, Projected Costs			(73,317.41)
Non-pecuniary cost of litigation-provoked illness and emotional costs	\$ (100,000.00)	100%	(100,000.00)
Subtotal, Non-Pecuniary Costs			(100,000.00)
NET VALUE OF CASE (RETURN ON INVESTMENT)			(164,316.39)

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Item	Amount	Prob%	Eco. Value
Actual Damages = $(\$56,000 - 6125.46 - ((\$56,000 - 6125.46) \times 45\%)) / 3 - \$2,000$	\$ 7,143.67	0%	0.00
Punitive Damages (<i>up to</i> 3x actual damages)	\$ 21,431.00	0%	0.00
Award of Attorney's Fees	\$0	0%	0.00
Subtotal, Projected Recovery			0.00
Bauer's Outstanding Fees	\$ (12,517.41)	100%	(12,517.41)
New Attorney fees: review and litigate case through trial	\$ (30,000.00)	100%	(30,000.00)
Cost to Litigate Appeal	\$ (50,000.00)	100%	(50,000.00)
Unpaid Judgment to Rodeems (sanctions)	\$ (11,550.00)	100%	(11,550.00)
Subtotal, Projected Costs			(104,067.41)
Non-pecuniary cost of litigation-provoked illness and emotional costs	\$ (100,000.00)	100%	(100,000.00)
Subtotal, Non-Pecuniary Costs			(100,000.00)
NET VALUE OF CASE (RETURN ON INVESTMENT)			(204,067.41)