



P. MACAULAY & ASSOCIATES INC.

130 King Street West, Suite 1800, Toronto, ON M5X 1E3

P 416.642.6010 E pmacaul@pmacaulay-assoc.com

Quantifying All Possible Outcomes Drives Settlement

I identified that the numerical fact pattern in this case allowed quantification of all of the possible outcomes. This helped counsel drive this case to a favourable settlement.

The dispute involved the amount due at the end of a contract. Both the Plaintiff and the Defendant claimed that they were owed money. The Plaintiff claimed it was owed \$1.24 million. I prepared a report for the Defendant showing that it was owed \$1.19 million; a spread of \$2.43 million.

Working through the numbers, I showed Defendant's counsel that:

1. there were five key issues that drove the amounts claimed;
2. each issue had two possible outcomes: the Plaintiff's and the Defendant's;
3. therefore, mathematically there were 32 possible outcomes.

I then prepared a second report for the Defendant quantifying all 32 possible outcomes. Some issues affected other calculations, so it wasn't as simple as Issue 1 = \$x, and Issue 2 = \$y. This report showed that in two-thirds of the outcomes, the Defendant was owed money by the Plaintiff.

Counsel used this information to convince the Plaintiff to settle on terms very favourable to the Defendant.

The table on the back of this page shows the results of the quantification.

To get my help with your case involving damages, please contact me.

Peter Macaulay CA•IFA, MBA, specializes in damage quantification in commercial disputes, with over 20 year's experience. He has been designated as a specialist in Investigative and Forensic Accounting by the CICA, and has testified before the Superior Court of Justice, the International Chamber of Commerce (Paris) and the Copyright Board.

**Quantification of the 32 Combinations
In Order of Amount Claimed
Showing Who Wins Each Issue**

#	Issue 1	Issue 2	Issue 3	Issue 4	Issue 5	Amount Claimed	
1	Def	Def	Def	Pla	Def	\$1,466,000	*
2	Def	Def	Pla	Pla	Def	1,383,000	*
3	Def	Def	Def	Def	Def	1,197,000	Amount Claimed by the Defendant
4	Def	Def	Def	Def	Pla	1,197,000	
5	Def	Def	Def	Pla	Pla	1,197,000	
6	Def	Def	Pla	Def	Def	1,128,000	
7	Def	Def	Pla	Def	Pla	1,128,000	
8	Def	Def	Pla	Pla	Pla	1,114,000	
9	Pla	Def	Def	Def	Def	600,000	
10	Pla	Def	Def	Def	Pla	600,000	
11	Def	Pla	Def	Def	Def	548,000	
12	Def	Pla	Def	Def	Pla	548,000	
13	Pla	Def	Pla	Def	Def	531,000	
14	Pla	Def	Pla	Def	Pla	531,000	
15	Def	Pla	Pla	Def	Def	387,000	
16	Def	Pla	Pla	Def	Pla	387,000	
17	Pla	Def	Def	Pla	Def	345,000	
18	Def	Pla	Def	Pla	Def	337,000	
19	Pla	Def	Pla	Pla	Def	262,000	
20	Def	Pla	Pla	Pla	Def	145,000	
21	Pla	Def	Def	Pla	Pla	77,000	
22	Def	Pla	Def	Pla	Pla	68,000	
23	Pla	Def	Pla	Pla	Pla	-7,000	
24	Pla	Pla	Def	Def	Def	-50,000	
25	Pla	Pla	Def	Def	Pla	-50,000	
26	Def	Pla	Pla	Pla	Pla	-124,000	
27	Pla	Pla	Pla	Def	Def	-210,000	
28	Pla	Pla	Pla	Def	Pla	-210,000	
29	Pla	Pla	Def	Pla	Def	-784,000	
30	Pla	Pla	Pla	Pla	Def	-976,000	
31	Pla	Pla	Def	Pla	Pla	-1,053,000	
32	Pla	Pla	Pla	Pla	Pla	-1,245,000	Amount Claimed by the Plaintiff

* Interestingly, there are 2 combinations where the Defendant is owed more than it claimed