

# SEG

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Smith Economics Group, Ltd.

A Division of Corporate Financial Group  
*Economics / Finance / Litigation Support*

*Stan V. Smith, Ph.D.*  
*President*

## **OUR STANDARDS AND OUR CREED**

- PURPOSE:** We promise to deliver top-notch economic and financial analysis, testimony, problem solving and creativity.
- QUALITY:** We will provide only Premier Quality services. When and only when Premier Quality services have been rendered, we will charge a fair fee for what we have provided. You must be satisfied with the quality of our services (independent of the outcome of your case) or you do not owe a fee. If there is a question or concern in this regard, please contact us within 30 days of receipt of our invoice. We will make every effort to meet your expectations and resolve any issues.
- HONOR:** As a corporate citizen, we will act in the community with the highest moral principles that we expect others to follow.
- SUCCESS:** We know that your success and our success depend entirely upon our integrity.
- CLIENTS:** We will treat each client as if our entire firm depends upon that client's highest degree of satisfaction with our services.
- VENDORS:** We will treat each vendor with respect.
- STAFF:** We recognize each staff member as a business partner in spirit. Our firm's success in great part depends upon each member's satisfaction with his or her job.
- SELF:** We recognize that our work is a part of our life and each of us takes responsibility to take care of our whole life, at work and elsewhere.

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## **SUMMARY OF SELECTED TERMS AND CONDITIONS - 2021**

1. We commit to provide you our services on the most efficient and predictable basis possible.
2. While some matters are charged on an hourly basis, we commonly charge a flat fee for most analysis: standard tangible or intangible loss evaluations are charged at a set fee of \$4,785. Combined analyses are \$5,565. Fees for complex matters are \$6,435. Business or commercial litigation cases typically start at \$6,685. For reports due within 15 business days of receipt of case materials, a 10% rush fee will be charged; for reports due within 10 business days of receipt of case materials, a 15% rush fee will be charged.
3. There are generally no further charges, except for hourly rates for deposition or trial testimony, and certain work as detailed under "Hourly Rates".
4. Deposition and trial testimony rates are typically \$470 per hour with no minimum. Complex and commercial litigation testimony rates can range from \$485 to \$695 an hour.
5. Travel expenses are incurred at the most economical, yet refundable rates. We generally make our own arrangements and do not require prepayment for travel.
6. The deposit/retainer on most matters is \$1,250 and is refundable, if work has not commenced, less an expert witness reservation fee of \$625. Complex and commercial litigation matters may involve a more substantial deposit/retainer, starting at \$2,500. A retainer is needed to commence work on your case.
7. You must be satisfied with the quality of our services (independent of the outcome of your case) or you do not owe a fee. If there is a question or concern in this regard, please contact us within 30 days of receipt of our invoice. We will make every effort to meet your expectations and resolve any issues.
8. We adhere to the Golden Rule and look to long-term relationships.

**Please Read our Complete Service and Billing Policy Attached**

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## COMPLETE SERVICE AND BILLING POLICY - 2021

**REPRESENTATION:** Smith Economics Group, Ltd. (SEG), through its principal consultant, Stan V. Smith, Ph.D., and its employees and associated consultants, provides consultation and expert witness services to attorneys to resolve matters involving economics and finance. Attorneys are our clients. We look solely to them for retention, the extent and duration of involvement and payment. Each matter involves a separate engagement, accounting, and billing.

We commit to provide you our services on the most efficient and predictable basis possible so that you can control your costs. Knowing costs in advance can assist you in expense planning and in your agreement with your clients. We are pleased to work within your time and budget limitations.

**SERVICES:** SEG provides consultation and related research, evaluations and testimony on various financial and economic matters. We are able to provide appraisals with regard to both economic value and loss. We will participate to the extent counsel determines in the preparation of evaluations, pre-trial evaluations and consultation; expert testimony for arbitration and mediation proceedings; trials and other related proceedings in advanced stages; and appeal reviews. Through associated experts in other specialties, we cover a broad diversity of business and events in commercial and personal injury litigation.

**QUALITY:** You must be satisfied with the quality of our services (independent of the outcome of your case) or you do not owe a fee. (Out-of-pocket expenses such as travel costs will still be reimbursable.) If you have a question or concern in this regard, please contact us within 30 days of receipt of our invoice. We will make every effort to meet your expectations and resolve any issues. After 30 days we will assume you are satisfied with our work and the invoice. We adhere to the Golden Rule and look to long-term relationships.

**ENGAGEMENT:** We serve lawyers and law firms under a written agreement on matters specifically designated. Engagements and work product with regard to a specified issue may not be transferred to another similar or related matter, whether or not involving the same client of the law firm, without our prior consent.

**The fees below reflect rates prevailing for work performed this year. If work is performed in subsequent years, you will be charged the prevailing rates then.**

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**EVALUATION FEES:** We charge a flat fee for most analyses, which includes time expended in review of materials, interviews, data gathering, analysis, loss evaluation preparation and review. The fixed charges for these services, including the evaluation, reflect an approximate equivalent hourly billing rate for the services.

Loss evaluations and the services described above are provided for each person involved in a matter. Generally, services and evaluations for standard tangible losses such as lost earnings and benefits, services, medical costs, etc., are \$4,785; loss evaluations for simple intangible (so-called hedonic) losses in injury or death, including loss of society and companionship are \$4,785. Evaluations reflecting both tangible and intangible losses combined are \$5,565. For such evaluations that are more involved, we may add a surcharge of one or more hours; if so, we will notify you in advance. Loss evaluations fees for more complex cases, which include credit damage cases, are billed at a flat fee of \$6,435.

Many business and commercial loss analyses are performed on a flat fee basis, often between \$6,685 and \$10,000. At times, however, these evaluations can range substantially higher and are charged either on a flat fee or hourly basis, to be agreed upon in advance.

Generally, there are no further charges, except for deposition or trial testimony, and certain additional work such as updates and supplements that you may ask us to perform as detailed under "Hourly Rates" below. We also bill hourly for evaluations of opposing expert opinions and other materials. We generally do not charge for time in connection with a preliminary review and conversation regarding motions to oppose or limit our testimony.

We charge the same rates whether working for the plaintiff or defense. While rare, if complexity arising in estimating losses involves any additional cost, you will be notified in advance. For reports due within 15 business days of receipt of case materials, a 10% rush fee will be charged; for reports due within 10 business days of receipt of case materials, a 15% rush fee will be charged.

**HOURLY RATES:** In many matters, including personal injury cases, charges by Stan V. Smith, Ph.D. for deposition and trial testimony are \$470 per hour with no minimum. Fees for commercial litigation and other such complex matters are charged on an hourly basis which starts at \$485 per hour and can range up to \$695 per hour, depending on the nature of the work. Evaluation updates, requested supplements including punitive damages, review of work by other or opposing economists, most other analyses, and travel are billed on an hourly basis. Generally, for most matters, one hour will be billed for in-house preparation conducted within several days prior to a deposition or a trial appearance. In complex and commercial cases, considerably more than one hour of in-house preparation will almost certainly be required. If extensive travel time, when added to work time, causes the billable hours in any day to exceed a maximum of 10 hours, additional hours may be charged.

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The "EVALUATION FEES" described above are fixed. Hourly charges are billed conservatively in six-minute increments (one-tenth of an hour). We generally do not charge for short calls or emails. To economize our billing, we may involve personnel other than Stan V. Smith, Ph.D. at lesser rates for economic research purposes. Since engagements frequently involve matters that extend over many months or years, we reserve the right to update your fee agreement to reflect new rates then charged to those entering into new engagements. We agree to expend time in connection with efforts on your behalf in the most efficient manner possible.

**DEPOSIT/RETAINERS:** Our engagement becomes effective upon receipt of a deposit/retainer and an executed letter agreement, which then authorizes you to name Stan V. Smith, Ph.D. as an expert in the matter. The deposit/retainer serves as an advance credit to subsequent billings, and is not the initial loss evaluation fee. The deposit/retainer for most matters is \$1,250 and is refundable, if work has not commenced, less an expert witness fee for listing Stan V. Smith in the amount of \$625. Stan V. Smith may be listed prior to retention on a matter for an expert witness listing fee of \$625, which is not refundable, but which will be credited towards future work when retained. Complex and commercial cases require a more substantial deposit/retainer, starting at \$2,500. A retainer is needed to commence work on your case.

**EXPENSES:** Out-of-pocket expenses such as airfares, lodging and taxicabs while traveling under your instructions, and the like are billed at cost. These expenses are incurred at the most economical, yet refundable rates. We do not charge for normal administrative or secretarial services.

**ESTIMATES:** We will be pleased to provide written or oral estimates on specific matters. Costs, of course, range depending on many variables, including the quality of data input from counsel and other complexities.

**BILLING:** Payment shall be due within thirty days of the invoice date unless otherwise arranged.

**WE CONSIDER YOU AND YOUR FIRM TO BE OUR CLIENT, AND WE LOOK SOLELY TO YOU FOR PAYMENT OF OUR INVOICES ON A TIMELY BASIS, IRRESPECTIVE OF THE OUTCOME OF THE CASE. WE ALSO LOOK SOLELY TO YOU IRRESPECTIVE OF ANY ARRANGEMENTS YOU MAY HAVE WITH OTHER LAW FIRMS, OPPOSING PARTIES, OR YOUR CLIENTS TO PAY FOR OUR SERVICES. FOR EXAMPLE, IF THE OPPOSING PARTY NOTICES A DEPOSITION AND YOU BELIEVE IT IS THEIR RESPONSIBILITY TO PAY, WE STILL HOLD YOU RESPONSIBLE TO PAY OUR CHARGES IF THE OTHER SIDE FAILS TO PAY PROMPTLY WITHIN 30 DAYS.**

**CONTINGENCY BILLINGS:** We firmly adhere to Rule 3.3 (a) (15) of the Supreme Court of Illinois and similar rules in other states:

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"...A lawyer shall not pay...compensation to a witness upon the content of his testimony or the outcome of the case..."

Further, our fees are not contingent upon any rulings regarding the admissibility or weight given to the testimony, or any other factors.

**PERSONNEL:** Where required, but only with your consent, we will commit to provide services of other designated individuals in our firm. Rates for other personnel range to as low as \$55 per hour for professionals of lesser rank. In other areas of expertise, we can work with your firm to interview and select additional consultants and experts on your behalf. Those so retained may work in association with our firm.

**REVIEW:** Upon review of each billing matter, we may conclude, at our own discretion and after taking all factors into consideration, that a reduction in charges is fair and appropriate for the service rendered.

**DEPOSITION AND TRIAL TESTIMONY CANCELLATION:** Generally one hour is billed for in-house preparation for testimony; this is performed at least two business days in advance. If scheduled testimony is cancelled with less than two full business days notice, one hour will be billed for in-house preparation required for the testimony, and for administrative scheduling. In complex cases, more than one hour of in-house preparation may be required and thus billed. If the testimony is rescheduled, no additional in-house preparation will be billed, even if subsequently cancelled.

If a deposition is scheduled, reserved and cancelled three times, one hour will be billed for the administration of the reservation/cancellation.

**LATE CHARGES:** We expect payment in full within thirty days of our statement date. We can accommodate reasonable delays or alternatives upon request which better meet your cash flow requirements when agreed in advance. To be fair to those who pay promptly, SEG reserves the right to accrue and charge interest at the rate of 1.0% per month, compounded monthly, commencing thirty days after the statement date, and to assess a one-time account reinstatement fee equal to the greater of 5% of the amount outstanding or \$50, after ninety days following the statement date.

**TERMINATION:** SEG shall suspend or cease to perform further work on any given matter at your request. SEG reserves the right to bring work to a completed stage and terminate, or to terminate for cause at any time, work in its client's behalf.

**VENUE AND CHOICE OF LAW:** Any dispute arising under this agreement shall be determined under the law of Illinois. The venue shall be in Chicago.

01/08/2021

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**DO NOT FILL OUT THIS EVALUATION.** THIS COPY IS FOR YOUR INFORMATION. WHEN THIS CASE IS COMPLETE WE WILL SEND YOU ANOTHER COPY and we will ask you to evaluate our services, to help us continue to provide the best possible service.

How would you assess us?	Please Circle One (5 = Excellent)
1. The reputation of our firm, before we performed any services for you?	1 2 3 4 5
2. Our handling of your initial inquiry when you contacted us regarding your case?	1 2 3 4 5
3. The quality and usefulness of the initial materials we sent you regarding our firm and our services?	1 2 3 4 5
4. Subsequent communications with our firm including courtesy, promptness, helpfulness of staff?	1 2 3 4 5
5. The quality of our written analysis or report?	1 2 3 4 5
6. The quality of deposition testimony?	1 2 3 4 5
7. The quality of trial testimony?	1 2 3 4 5
8. The timeliness of our work?	1 2 3 4 5
9. The degree to which we met our promise to provide you with Premier Quality service?	1 2 3 4 5
10. The value of the services we provided for the fees charged?	1 2 3 4 5
11. The overall impact of our work on your case result?	1 2 3 4 5

We welcome any comments and/or criticisms. You may use this space, or the other side of this form, or write a separate letter to us. \_\_\_\_\_

YOUR IDENTITY AND RESPONSES ON THIS FORM WILL NOT BE DISCLOSED TO ANYONE. We may include your response with others in a statistical summary that may be disseminated and is available upon request. You may fill in your name here SOLELY FOR OUR OWN USE, or you may remain anonymous. \_\_\_\_\_