Sample Documents Demonstrating Damages for Use During Mediation

The following documents demonstrate the claimed damages from both sides of a lawsuit between a physician, Peters, and her former hospital-employer, CCH. While the lawsuit contained several claims and counter-claims, for the mediation, the causes of action were narrowed down to a wrongful termination claim against CCH and fraud against Peters.

These summary documents can be provided to students to give them a foundation for negotiating damages during the mediation. They also serve as quick reference guides for the actors and mediator. The professors’ worksheets were not given to the actors/mediators but were useful to professors as an easy-reference for damages.
**Peters Damages for Wrongful Termination**

Assume that Peters will present admissible evidence at trial of these facts related to damages.

Two year’s salary remaining on employment contract @ $350,000 year as of date of termination May 12, 2014. CCH paid her monthly in equal instalments @ $29,166.67, which works out to approximately, $972.22 per day. Peters would have continued at a minimum of that salary rate and anticipates she would have received annual bonuses from May 12, 2014 through the present.

Based on her excellent performance evaluation and information provided through discovery about medical staff bonuses paid for 2013 and 2014 (paid on the last day of the calendar year following an employee’s full year of service, Peters further asserts she would have received at least a total of $210,000 ($70,000 per year) under the contract. She was not paid a bonus for the first year she worked because she was fired in May 2014. Additionally, she received approximately $26,800 in benefits and other professional perks her first year of working, which includes a matching contribution to 401(k), reimbursement for CME expenses ($3,000), health and dental insurance (CCH paid $600 and she paid $400 per month), and payment of physician professional dues and fees ($1,500). She contends she would have received the same amount in perks for the remaining two years ($53,600).

Peters purchased COBRA insurance to provide health and dental insurance at a monthly cost of $1,000 starting June, 1, 2014. Unreimbursed medical expenses since May 12, 2014 (primarily therapy and non-reimbursed, name brand anti-anxiety and anti-depressants) comes to $5,800.00

CCH’s treatment of Peters, and the subsequent press coverage, harmed Peters’ professional reputation. She has had a very hard a time finding a job because she was seen as damaged goods or hard to work with. Since February 1, 2015, she is employed at the San Fernando Valley Women’s Health Cooperative as a staff OB/GYN. She makes $150,000 a year and receives health insurance benefits. She stopped paying COBRA on March 1, 2015 when her new health benefits began. She is an at-will employee. This work is all she could find due to the reputational harm caused by CCH’s public firing.

She seeks $500,000 for emotional distress caused by her wrongful termination.

She will seek punitive damages of $2,950,800 (two times compensatory).

Discovery is continuing and Peters reserves the right to revise this response upon retention of experts and receipt of further information.
Professors’ work sheet

Wrongful termination compensatory damages

$700,000 salary
$210,000 bonuses
$ 53,600 perks
$  6,000 Cobra (overpay)
$ 5,800 unreimbursed medical due to emotional distress
$500,000 emotional distress

Total $1,475,400

Offsets and counter arguments to damages claimed

$100,000 reimbursement for signing bonus
$12,500 salary per month at new job through trial
No bonus solely at discretion of CCH
No emotional distress damages as Peters has been suffering from depression since before she worked at CCH
CCH Damages for Fraud

Assume that CCH will present admissible evidence at trial of these facts related to the following damages for out-of-pocket losses attributed to Peters’ fraud:

$150,000 paid to Peters as a signing bonus, and $15,000 paid to Peters for relocation expenses.

$70,000 incurred by CCH in hiring a new OB/GYN, including $50,000 signing bonus.

At least $50,000 attributable to losses from CCH medical supplies used by Peters at her home clinic.

$45,000 to fix property damage to CCH lobby

$500,000 for damage to CCH’s business reputation and standing in the community, which resulted in lost revenue from a decline in patients as measured by the decrease in patient census on a monthly basis from June 2014 through February 2015 as compared to same period one year before.

CCH will seek punitive damages of $1,660,000 (two times compensatory).

Discovery is continuing and CCH reserves the right to revise this response upon retention of experts and receipt of further information.
Professors’ work sheet

**Fraud compensatory damages**

$150,000 signing bonus  
$15,000 relocation bonus  
$70,000 expenses in hiring new OB/GYN  
$50,000 in lost use of medical supplies  
$45,000 in property damage to lobby  
$500,000 in lost revenue

Total $830,000

**Offsets and counter arguments to damages claimed**

- Expenses in hiring new OB/GYN are overstated and signing bonus discretionary.  
- Claimed damages for lost use of medical supplies are grossly exaggerated per analysis of Conversion damages.  
- Property damaged caused by criminal act of deranged man, so no proximate cause.  
- Lost revenue is speculative and cannot be attributed to Peters.