

		ALLOCATIONS				
		A	B	C	D	E
		None	Fees/Costs	Fees/Costs & Common Law Claims	Fees/Costs, Common Law Claims and Covenants	104(a)(2) Damages, Fees/Costs, Common Law Claims and Covenants
SCENARIO #1	Gross Settlement	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
	Attorneys' Fees & Costs	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
	Amount Allocated to Wage Claims	\$ -	\$ 600,000.00	\$ 500,000.00	\$ 450,000.00	\$ 225,000.00
	Amount Allocated to Personal Physical Injury	\$ -	\$ -	\$ -	\$ -	\$ 300,000.00
	Amount Allocated to Common Law Claims	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 50,000.00
	Amount Allocated to Confidentiality/Other Covenants	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 25,000.00
	Amount Allocated to Statutory Attorneys' Fees/Costs	\$ -	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
	Total Proceeds Included as Income	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 700,000.00
	Total Proceeds Treated as Wages	\$ 1,000,000.00	\$ 600,000.00	\$ 500,000.00	\$ 450,000.00	\$ 225,000.00
	Less Attorneys' Fees/Costs Deducted Above the Line	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00
	Net Taxable Income	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00	\$ 600,000.00	\$ 300,000.00
	Employment Taxes on Wage Income	\$ 22,460.80	\$ 16,660.80	\$ 15,210.80	\$ 14,485.80	\$ 11,223.30
	Income Tax	\$ 187,689.50	\$ 187,689.50	\$ 187,689.50	\$ 187,689.50	\$ 80,689.50
	Total Tax	\$ 210,150.30	\$ 204,350.30	\$ 202,900.30	\$ 202,175.30	\$ 91,912.80
	Effective Rate	35.03%	34.06%	33.82%	33.70%	30.64%
SCENARIO #2	Gross Settlement	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
	Attorneys' Fees & Costs	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
	Amount Allocated to Wage Claims	\$ -	\$ 180,000.00	\$ 150,000.00	\$ 135,000.00	\$ 67,500.00
	Amount Allocated to Personal Physical Injury	\$ -	\$ -	\$ -	\$ -	\$ 90,000.00
	Amount Allocated to Common Law Claims	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ 15,000.00
	Amount Allocated to Confidentiality/Other Covenants	\$ -	\$ -	\$ -	\$ 15,000.00	\$ 7,500.00
	Amount Allocated to Statutory Attorneys' Fees/Costs	\$ -	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
	Total Proceeds Included as Income	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 210,000.00
	Total Proceeds Treated as Wages	\$ 300,000.00	\$ 180,000.00	\$ 150,000.00	\$ 135,000.00	\$ 67,500.00
	Less Attorneys' Fees/Costs Deducted Above the Line	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
	Net Taxable Income	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 90,000.00
	Employment Taxes on Wage Income	\$ 12,310.80	\$ 10,570.80	\$ 10,135.80	\$ 9,918.30	\$ 5,163.75
	Income Tax	\$ 39,289.50	\$ 39,289.50	\$ 39,289.50	\$ 39,289.50	\$ 6,103.50
	Total Tax	\$ 51,600.30	\$ 49,860.30	\$ 49,425.30	\$ 49,207.80	\$ 11,267.25
	Effective Rate	28.67%	27.70%	27.46%	27.34%	12.52%
SCENARIO #3	Gross Settlement	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
	Attorneys' Fees & Costs	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
	Amount Allocated to Wage Claims	\$ -	\$ 60,000.00	\$ 50,000.00	\$ 45,000.00	\$ 22,500.00
	Amount Allocated to Personal Physical Injury	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00
	Amount Allocated to Common Law Claims	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00
	Amount Allocated to Confidentiality/Other Covenants	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 2,500.00
	Amount Allocated to Statutory Attorneys' Fees/Costs	\$ -	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
	Total Proceeds Included as Income	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 70,000.00
	Total Proceeds Treated as Wages	\$ 100,000.00	\$ 60,000.00	\$ 50,000.00	\$ 45,000.00	\$ 22,500.00
	Less Attorneys' Fees/Costs Deducted Above the Line	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
	Net Taxable Income	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 30,000.00
	Employment Taxes on Wage Income	\$ 7,650.00	\$ 4,590.00	\$ 3,825.00	\$ 3,442.50	\$ 1,721.25
	Income Tax	\$ 7,009.50	\$ 7,009.50	\$ 7,009.50	\$ 7,009.50	\$ 3,409.50
	Total Tax	\$ 14,659.50	\$ 11,599.50	\$ 10,834.50	\$ 10,452.00	\$ 5,130.75
	Effective Rate	24.43%	19.33%	18.06%	17.42%	17.10%