

**Tab B**



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February 4, 2004

**VIA HAND DELIVERY**

James A. Wilson, Esq.  
Vorys, Sater, Seymour & Pease, LLP  
52 East Gay Street  
P.O. Box 1008  
Columbus, Ohio 43216-1008

**Re: *Buckeye Diamond Logistics, Inc. (formerly Buckeye Recyclers, Inc.) v. CHEP USA***  
***U.S. District Court for the Southern District of Ohio Western Division***  
***Case No. C3-01-440 - Judge Walter Herbert Rice***

Dear Jim:

Attached is the summary of damages which CHEP will claim together with the calculations on which those claims are based. Those calculations were completed this morning and will be the subject of testimony by Elton Potts.

The Motion in Limine which you filed on Monday makes reference to our duties under FRCP 26 and I believe that this material satisfies our obligations in that regard. At the same time, we have yet to receive Buckeye's computation with respect to the unjust enrichment damages you are claiming. When can we expect to receive such information?

Sincerely,

A handwritten signature in black ink, appearing to read 'John C. McDonald', written over a circular scribble.

John C. McDonald

JCM/mc  
Enclosures

## SUMMARY OF DAMAGES

DEPRECIATION IN VALUE	\$33,995
COST TO RECONDITION	\$39,936
COST OF CAPITAL	\$48,444
"SALES" BY BUCKEYE	<u>\$37,482</u>
TOTAL LOSS SUFFERED BY CHEP	\$159,857

**AVERAGE PURCHASE PRICE OF PALLETS**

<u>Month</u>	<u>Price Per Pallet</u>
Oct-99	\$22.38
Nov-99	\$22.38
Dec-99	\$21.13
Jan-00	\$15.46
Feb-00	\$25.04
Mar-00	\$21.24
Apr-00	\$21.24
May-00	\$22.09
Jun-00	\$20.66
Jul-00	\$20.45
Aug-00	\$20.79
Sep-00	\$20.43
Oct-00	\$19.88
Nov-00	\$20.00
Dec-00	\$19.68
Jan-01	\$17.13
Feb-01	\$18.75
Mar-01	\$20.25
Apr-01	\$19.05
May-01	\$19.39
Jun-01	\$19.46
Jul-01	\$21.44
Aug-01	\$20.28
Sep-01	\$19.25
Oct-01	\$19.03
Nov-01	\$18.71
Dec-01	\$19.32
Jan-02	\$18.41
Feb-02	\$20.78
Mar-02	\$19.51
Apr-02	\$20.05
May-02	\$19.80
Jun-02	\$19.12
Jul-02	\$18.60
Aug-02	\$19.32
Sep-02	\$19.04
Oct-02	\$19.55
Nov-02	\$18.45
Dec-02	\$18.60
Jan-03	\$18.23
Feb-03	\$18.39
Mar-03	\$18.72
Apr-03	\$18.37
May-03	\$19.50
Jun-03	\$19.15
Jul-03	\$18.81
Aug-03	\$19.05
Sep-03	\$18.54

1999  
Average \$21.96

2000  
Average \$20.58

2001  
Average \$19.34

2002  
Average \$19.27

2003  
Average \$18.75

48 month  
average  
\$19.69

**TOTAL DEPRECIATION IN VALUE OF  
PALLETS HELD BY BUCKEYE**

<b>TOTAL PALLETS HELD BY BUCKEYE</b>	<b>AVERAGE MONTHLY DEPRECIATION PER PALLET</b>	<b>AVERAGE MONTHS HELD BY BUCKEYE</b>	<b>TOTAL DEPRECIATION IN VALUE</b>
27,395	12.3¢	10.1	\$33,995.58

**AVERAGE MONTHLY  
DEPRECIATION IN VALUE**

<u>COST OF PALLET</u>	<u>ANNUAL DEPRECIATION IN VALUE</u>	<u>MONTHLY DEPRECIATION IN VALUE</u>
\$19.69	\$1.48	12.3¢

**COST TO RECONDITION OR REPLACE PALLETS  
RECOVERED FROM BUCKEYE  
SEPTEMBER 2003**

Undamaged Pallets	8374
Damaged Pallets	7287
Scrap Pallets	<u>320</u>
Total Recovered	15,981

**TOTAL COST TO RECONDITION OR REPLACE PALLETS**

15,981 Pallets Washed @ \$1.75 =	\$27,966
15,303 Parts Replaced @ \$0.673=	\$10,298
7,287 Pallets Repaired @ \$1.07=	\$ 7,797
320 Pallets Replaced @ \$18.54=	<u>\$ 5,932</u>
Total Cost	\$51,993

**COST ATTRIBUTABLE TO BUCKEYE**

15,981 Pallets Washed @ \$1.75 =	\$27,966
6,996 Parts Replaced @ \$0.673=	\$ 4,708
2,301 Pallets Repaired @ \$1.07=	\$ 2,461
259 Pallets Replaced @ \$18.54=	<u>\$ 4,801</u>
Total	\$39,936

**COST OF CAPITAL  
FOR REPLACEMENT PALLETS**

<u>YEAR</u>	<u>NUMBER OF REPLACEMENT PALLETS</u>	<u>TOTAL REPLACEMENT COST</u>	<u>COST OF CAPITAL @ 9%</u>
1999	1295	\$ 28,438.20	\$ 2,559.43
2000	6960	\$143,236.80	\$12,891.31
2001	6960	\$134,606.40	\$12,114.57
2002	6960	\$134,119.20	\$12,070.72
2003	5220	<u>\$ 97,875.00</u>	<u>\$ 8,808.75</u>
TOTAL	27,395	\$ 538,275.60	\$48,444.78