# Appendix

This appendix belongs to the paper "On the importance of default breach remedies", by Sloof, Oosterbeek and Sonnemans (2006). It reports details on the following elements: order and learning effects (A.1), Holt and Laury's method to measure risk aversion (A.2), differences in proposals and contracts by default contract (A.3), differences in acceptance behavior by default contract (A.4), and breach decisions (A.5).

### A.1 Order effects and learning effects

Each seller and each buyer proposes a contract ten times. For each seller/buyer we count the number of times a particular contract is proposed. For each default contract treatment these numbers are compared between the sessions with an ABAB and a BABA-ordering by means of a ranksum test. Tables A.1.1 and A.1.2 report the resulting p-values for differences in proposals, and Tables A.1.3 and A.1.4 report the resulting p-values for differences in actual contracts. Only 5 out of 64 p-values points to a significant difference at the 5%-level, thereby indicating the ordering effects are unimportant.

Table A.1.1: P-values from ranksum tests for differences in proposals by order – individual level

individual level								
Defaults:	Seller proposes							
	Blue Yellow Green White							
Blue	0.8186	0.6859	0.6381	0.5254				
Yellow	0.0161	0.0612	0.5485	0.2385				
Green	0.6473	0.7786	0.7536	0.8431				
White	0.5882	0.0729	0.7400	0.9008				

Table A.1.2: P-values from ranksum tests for differences in proposals by order – individual level

Defaults:	Buyer proposes					
	Blue	Yellow	Green	White		
Blue	0.0850	0.1468	0.1069	0.2935		
Yellow	0.1468	1.0000	0.0995	0.4777		
Green	0.2692	0.3173	0.0250	0.9384		
White	0.2852	0.6903	0.1514	1.0000		

Table A.1.3: P-values from ranksum tests for differences in contracts by order – individual level

Defaults:	Seller proposes						
	Blue Yellow Green White						
Blue	0.8460	1.0000	0.9011	0.6643			
Yellow	0.0619	0.0232	0.5485	0.4129			
Green	0.9085	0.3173	0.7888	1.0000			
White	0.8477	0.1807	0.7714	0.5378			

Defaults:	Buyer proposes					
	Blue	Yellow	Green	White		
Blue	0.5767	0.1462	0.2672	0.5630		
Yellow	0.0423	0.1090	0.1072	0.4924		
Green	0.0361	0.3173	0.0056	0.7455		
White	0.4914	0.5432	0.1059	0.8783		

Table A.1.4: P-values from ranksum tests for differences in contracts by order – individual level

Each buyer and each seller proposes five times a contract during the first half of a session and five times during the second half. For each seller/buyer we count the number of times a particular contract is proposed separately for both halves. For each default contract treatment these numbers are compared across halves by means of a signrank test. Tables A.1.5 and A.1.6 report the resulting p-values for differences in proposals, and Tables A.1.7 and A.1.8 report the resulting p-values for differences in actual contracts. Ten out of 64 p-values are below 0.05, indicating that contract proposals and choices change somewhat when subject have gained experience.

Table A.1.5: P-values from signrank tests for differences in proposals by half of session – individual level

	individual level							
Defaults:	Seller proposes							
	Blue Yellow Green White							
Blue	0.5281	0.1370	0.7627	0.2168				
Yellow	0.0277	0.5654	0.6547	0.2688				
Green	0.0032	0.1797	0.1647	0.0380				
White	0.3273	0.8421	0.4292	0.4693				

Table A.1.6: P-values from signrank tests for differences in proposals by half of session – individual level

Defaults:	Buyer proposes					
	Blue	Yellow	Green	White		
Blue	0.8641	0.1574	0.7679	0.8155		
Yellow	0.1235	0.3173	0.0321	0.3314		
Green	0.1267	0.3173	0.0272	0.9224		
White	0.0776	0.6198	0.1422	0.6736		

 Table A.1.7: P-values from signrank tests for differences in contracts by half of session – individual level

Defaults:	Seller proposes							
	Blue Yellow Green Whit							
Blue	0.2198	0.1573	0.8194	0.0625				
Yellow	0.0300	0.1424	0.6198	0.7232				
Green	0.0036	0.3173	0.0139	0.0327				
White	0.6942	0.6198	0.7731	0.9378				

Defaults:	Buyer proposes						
	Blue Yellow Green White						
Blue	0.3555	0.1573	0.2059	0.6547			
Yellow	0.3740	0.4032	0.3332	0.9319			
Green	0.4632	0.3173	0.9230	0.7389			
White	0.3138	0.6057	0.0095	0.5180			

Table A.1.8: P-values from signrank tests for differences in contracts by half of session – individual level

# A.2 Details of Holt and Laury's (2002) method to measure risk aversion

To measure subjects' risk attitudes we confronted them with the ten choices between options A and B listed in Table A.2.1 below. Option A is the safe choice exhibiting small variation in the actual payoffs. Option B is the risky choice exhibiting large variation in the actual payoffs. Subjects are asked for all ten pairs which one they prefer. After that one lottery is randomly chosen (separately for each subject) and conducted, thereby determining subjects' payment for the third part of the experiment.

Notice that a risk neutral person will choose option A for the first four lotteries and will then switch to option B. Risk averse persons will postpone the switch to option B whereas risk-loving individuals will switch to B before the fourth lottery.

Option A	Option B	Expected payoff difference
1/10 of €2.00, 9/10 of €1.60	1/10 of €3.85, 9/10 of €0.10	€1.17
2/10 of €2.00, 8/10 of €1.60	2/10 of €3.85, 8/10 of €0.10	€0.83
3/10 of €2.00, 7/10 of €1.60	3/10 of €3.85, 7/10 of €0.10	€0.50
4/10 of €2.00, 6/10 of €1.60	4/10 of €3.85, 6/10 of €0.10	€0.16
5/10 of €2.00, 5/10 of €1.60	5/10 of €3.85, 5/10 of €0.10	-€0.18
6/10 of €2.00, 4/10 of €1.60	6/10 of €3.85, 4/10 of €0.10	-€0.51
7/10 of €2.00, 3/10 of €1.60	7/10 of €3.85, 3/10 of €0.10	-€0.85
8/10 of €2.00, 2/10 of €1.60	8/10 of €3.85, 2/10 of €0.10	-€1.18
9/10 of €2.00, 1/10 of €1.60	9/10 of €3.85, 1/10 of €0.10	<b>-€</b> 1.52
10/10 of €2.00, 0/10 of €1.60	10/10 of €3.85, 0/10 of €0.10	<b>-€</b> 1.85

Table A.2.1: Ten paired lottery-choice decisions

Source: Holt and Laury (2002).

Nine out of 160 subjects made more than one switch from A to B. We follow Holt and Laury and ignore such non-monotonicities, and take the number of times a subject chooses for the safe option A as our measure of risk aversion. Table A.2.2 gives the distribution of risk aversion in our dataset. The median subject has a score equal to 6 thereby exhibiting some degree of risk aversion. We found no significant differences in risk attitudes between sellers and buyers or between subjects who participated in sessions with different default contracts.

Risk	Freq.	Percent	Cum.
aversion			
0	2	1.25	1.25
2	1	0.63	1.88
3	12	7.50	9.38
4	31	19.38	28.75
5	23	14.38	43.13
6	46	28.75	71.88
7	29	18.13	90.00
8	11	6.88	96.88
9	4	2.50	99.38
10	1	0.63	100.00
Total	160	100.00	

Table A.2.2: Distribution of risk aversion

# A.3 Differences in proposals and contracts by default contract

Each seller and each buyer proposes ten contracts. For each seller/buyer we count the number of times that a particular contract is proposed/realized. For each default contract treatment this gives 20 observations per contract. For each contract these numbers are compared across pairs of default contracts, and for a particular default contract versus all other default contracts. This is done by means of ranksum tests. Tables A.3.1 and A.3.2 report p-values for differences in proposed contracts by proposer type. Tables A.3.3 and A.3.4 report p-values for differences in actual contracts. These tables are based on observations where subjects are the unit of analysis. Tables A.3.5 to A.3.8 report the corresponding p-values when groups are the unit of analysis. Recall that the matching scheme within sessions is such that each session produces observations from two independent groups.

contract – individual level					
Defaults:	Seller proposes				
	Blue	Yellow	Green	White	
Blue vs yellow	0.9561	0.3157	0.0034	0.6153	
Blue vs green	0.1138	0.0812	0.7904	0.7664	
Blue vs white	0.1162	0.7632	0.4593	0.2771	
Yellow vs green	0.1430	0.0054	0.0081	0.8078	
Yellow vs white	0.0996	0.1914	0.1150	0.7132	
Green vs white	0.9239	0.0558	0.4299	0.4620	
Blue vs other	0.2032				
Yellow vs other		0.0352			
Green vs other			0.1347		
White vs other				0.3723	

Table A.3.1: P-values from ranksum	tests for	r differences	in	proposals	between	default
contra	ct _ indi	level level				

Defaults:	Buyer proposes			
	Blue	Yellow	Green	White
Blue vs yellow	0.1604	0.4321	0.0772	0.7367
Blue vs green	0.7437	0.5736	0.3116	0.2617
Blue vs white	0.0293	0.2124	0.0444	0.4881
Yellow vs green	0.1573	0.1869	0.0070	0.2053
Yellow vs white	0.9892	0.6027	0.9237	0.2832
Green vs white	0.0497	0.0853	0.0040	0.5914
Blue vs other	0.1091			
Yellow vs other		0.5666		
Green vs other			0.0073	
White vs other				0.6167

Table A.3.2: P-values from ranksum tests for differences in proposals between default contract – individual level

 Table A.3.3: P-values from ranksum tests for differences in contracts between default contract – individual level

Defaults:	Seller proposes			
	Blue	Yellow	Green	White
Blue vs yellow	0.0010	0.0000	0.1077	0.5696
Blue vs green	0.0003	0.5533	0.0000	0.9158
Blue vs white	0.0000	0.0088	0.7564	0.0000
Yellow vs green	0.3846	0.0000	0.0000	0.6819
Yellow vs white	0.7192	0.0001	0.1300	0.0000
Green vs white	0.3532	0.0031	0.0001	0.0000
Blue vs other	0.0000			
Yellow vs other		0.0000		
Green vs other			0.0000	
White vs other				0.0000

Table A.3.4: P-values from ranksum tests for differences in contracts between default contract – individual level

Defaults:	Buyer proposes			
	Blue	Yellow	Green	White
Blue vs yellow	0.0000	0.0000	0.0382	0.6618
Blue vs green	0.0000	0.5940	0.0000	0.2815
Blue vs white	0.0000	0.5719	0.0192	0.0000
Yellow vs green	0.0055	0.0000	0.0019	0.5147
Yellow vs white	0.2041	0.0000	0.8770	0.0000
Green vs white	0.0675	0.2987	0.0000	0.0000
Blue vs other	0.0000			
Yellow vs other		0.0000		
Green vs other			0.0000	
White vs other				0.0000

Defaults:	Seller proposes			
	Blue	Yellow	Green	White
Blue vs yellow	0.7728	0.6631	0.0759	0.3836
Blue vs green	0.2482	0.0421	0.5614	0.6592
Blue vs white	0.5614	0.4678	1.0000	0.0741
Yellow vs green	0.4678	0.0202	0.0172	0.8839
Yellow vs white	0.2454	0.1441	0.0530	0.8839
Green vs white	1.0000	0.0814	0.0814	0.5516
Blue vs other	0.3953			
Yellow vs other		0.0774		
Green vs other			0.0510	
White vs other				0.3581

Table A.3.5: P-values from ranksum tests for differences in proposals between default contract – group level

Table A.3.6: P-values from ranksum tests for differences in proposals between default contract – group level

		01			
Defaults:		Buyer proposes			
	Blue	Yellow	Green	White	
Blue vs yellow	0.3094	0.6468	0.1913	0.7715	
Blue vs green	0.5637	0.6171	0.3865	0.1886	
Blue vs white	0.1102	0.1342	0.1489	0.2396	
Yellow vs green	0.1489	0.3496	0.0833	0.1913	
Yellow vs white	0.6631	0.2155	0.6631	0.7660	
Green vs white	0.0833	0.0723	0.0591	0.2425	
Blue vs other	0.1813				
Yellow vs other		0.9494			
Green vs other			0.0596		
White vs other				0.9029	

Table A.3.7: P-values from ranksum tests for differences in contracts between default

contract – group level				
Defaults:	Seller proposes			
	Blue	Yellow	Green	White
Blue vs yellow	0.0202	0.0194	0.2367	0.2425
Blue vs green	0.0202	0.4945	0.0209	0.6423
Blue vs white	0.0202	0.0372	0.0575	0.0194
Yellow vs green	0.3865	0.0180	0.0180	0.4624
Yellow vs white	0.7702	0.0209	0.1776	0.0194
Green vs white	0.1913	0.0256	0.0202	0.0194
Blue vs other	0.0035			
Yellow vs other		0.0029		
Green vs other			0.0034	
White vs other				0.0033

Defaults:	Buyer proposes			
	Blue	Yellow	Green	White
Blue vs yellow	0.0202	0.0194	0.0294	0.5566
Blue vs green	0.0202	0.7389	0.0209	0.2454
Blue vs white	0.0194	0.5357	0.0384	0.0209
Yellow vs green	0.1102	0.0180	0.0591	1.0000
Yellow vs white	0.4651	0.0202	0.4568	0.0202
Green vs white	0.1465	0.4047	0.0202	0.0202
Blue vs other	0.0035			
Yellow vs other		0.0023		
Green vs other			0.0059	
White vs other				0.0035

Table A.3.8: P-values from ranksum tests for differences in contracts between default contract – group level

Each seller and each buyer proposes ten contracts. For each seller/buyer we count the number of times that a particular contract is proposed/realized. For each contract **h**is gives 20 observations per default contract treatment. For each default contract these numbers are compared across pairs of contracts by means of signrank tests. Tables A.3.9 and A.3.10 report pvalues for differences between proposals by proposer type. Tables A.3.11 and A.3.12 report pvalues for differences in actual contracts. These tables are based on observations where subjects are the unit of analysis. Tables A.3.13 to A.3.16 report the corresponding p-values when groups are the unit of analysis.

Table A.3.9: P-values from signrank tests for differences in proposals by default contract – individual level

Seller proposes:		Default			
	Blue	Yellow	Green	White	
Blue vs yellow	0.5128	0.8218	0.0014	0.0183	
Blue vs green	0.2029	0.0078	0.0753	0.0283	
Blue vs white	0.4038	0.1221	0.0089	0.0014	
Yellow vs green	0.5586	0.0077	0.0167	0.9847	
Yellow vs white	0.7646	0.1277	0.1135	0.2273	
Green vs white	1.0000	0.0539	0.3774	0.5916	

Table A.3.10: P-values from signrank tests for differences in proposals by default contract – individual level

Buyer proposes:	Default			
	Blue	Yellow	Green	White
Blue vs yellow	0.0001	0.0001	0.0001	0.0001
Blue vs green	0.0019	0.2398	0.0002	0.0338
Blue vs white	0.0006	0.0136	0.0044	0.0129
Yellow vs green	0.0005	0.0001	0.0095	0.0014
Yellow vs white	0.0005	0.0019	0.0003	0.0118
Green vs white	0.8482	0.0744	0.0298	0.1077

Seller proposes:	Default			
	Blue	Yellow	Green	White
Blue vs yellow	0.0001	0.2436	0.0002	0.0114
Blue vs green	0.0001	0.0173	0.8812	0.0326
Blue vs white	0.0001	0.0464	0.0031	0.5123
Yellow vs green	0.0168	0.0007	0.0001	0.2441
Yellow vs white	0.0282	0.0001	0.0050	0.0001
Green vs white	0.6304	0.2886	0.0001	0.0003

Table A.3.11: P-values from signrank tests for differences in contracts by default contract – individual level

Table A.3.12: P-values from signrank tests for differences in contracts by default contract – individual level

Buyer proposes:		Default			
	Blue	Yellow	Green	White	
Blue vs yellow	0.0001	0.1556	0.0001	0.0003	
Blue vs green	0.0001	0.3901	0.1073	0.0122	
Blue vs white	0.0001	0.0330	0.0003	0.5611	
Yellow vs green	0.0018	0.0159	0.0001	0.0009	
Yellow vs white	0.0286	0.0023	0.0060	0.0002	
Green vs white	0.5383	0.0334	0.0003	0.0009	

Table A.3.13: P-values from signrank tests for differences in proposals by default contract – group level

Seller proposes:	Default			
	Blue	Yellow	Green	White
Blue vs yellow	0.4652	1.0000	0.0679	0.0679
Blue vs green	0.4652	0.0679	0.0679	0.0679
Blue vs white	0.4652	0.2733	0.0679	0.0679
Yellow vs green	0.2733	0.0679	0.0679	1.0000
Yellow vs white	0.7150	0.2733	0.0679	0.2733
Green vs white	0.8527	0.0679	0.1441	0.0679

Table A.3.14: P-values from signrank tests for differences in proposals by default contract – group level

contract – group level					
Buyer proposes:		De	efault		
	Blue	Yellow	Green	White	
Blue vs yellow	0.0679	0.0679	0.0679	0.0679	
Blue vs green	0.0679	0.2733	0.0679	0.0679	
Blue vs white	0.0679	0.0679	0.0679	0.0656	
Yellow vs green	0.0679	0.0679	0.0679	0.0679	
Yellow vs white	0.0679	0.0679	0.0679	0.0679	
Green vs white	1.0000	0.1441	0.1441	0.1615	

Seller proposes:	Default			
	Blue	Yellow	Green	White
Blue vs yellow	0.0679	0.5775	0.0679	0.0679
Blue vs green	0.0679	0.0679	1.0000	0.0679
Blue vs white	0.0679	0.0679	0.0679	0.4615
Yellow vs green	0.0679	0.0679	0.0679	0.2568
Yellow vs white	0.0656	0.0679	0.0679	0.0679
Green vs white	0.4652	0.5775	0.0679	0.0679

Table A.3.15: P-values from signrank tests for differences in contracts by default contract – group level

Table A.3.16: P-values from signrank tests for differences in contracts by default contract group level

– group level							
Buyer proposes:		De	efault				
	Blue	Blue Yellow Green White					
Blue vs yellow	0.0679	0.4652	0.0679	0.0679			
Blue vs green	0.0679	0.4652	0.4652	0.0679			
Blue vs white	0.0679	0.1441	0.0679	0.7150			
Yellow vs green	0.0656	0.2733	0.0679	0.0656			
Yellow vs white	0.1441	0.1441	0.0679	0.0679			
Green vs white	0.7150	0.1441	0.0679	0.0679			

Each buyer and each seller proposes ten contracts. For each seller/buyer we count the number of times that a particular contract is proposed/realized. Per default contract treatment this gives 20 observations of sellers and 20 observations of buyers for each contract. For each default contract these numbers are compared between buyers and sellers by means of ranksum tests. Table A.3.17 reports p-values for differences in proposals between proposer types. Table A.3.18 reports p-values for differences in actual contracts between proposer types. These tables are based on observations where subjects are the unit of analysis. Tables A.3.19 to A.3.20 report the corresponding p-values when groups are the unit of analysis.

	e g actación	• on the t		
Default:		Pro	oposal	
	Blue	Yellow	Green	White
Blue	0.0036	0.0033	0.5401	0.9217
Yellow	0.1899	0.0006	0.0001	0.6583
Green	0.4064	0.0451	0.1426	0.1648
White	0.6928	0.0522	0.0816	0.0356
All	0.0294	0.0000	0.0458	0.0534

Table A.3.17: P-values from ranksum tests for differences between seller and buyer in proposals by default contract – individual level

Default:	Contract				
	Blue	Yellow	Green	White	
Blue	0.5652	1.0000	0.6167	0.5522	
Yellow	0.7826	0.4299	0.0005	0.8055	
Green	0.7950	0.9714	0.5647	0.5766	
White	0.8697	0.0522	0.0796	0.9782	
All	0.9685	0.3922	0.0097	0.9317	

Table A.3.18: P-values from ranksum tests for differences between seller and buyer in contracts by default contract – individual level

Table A.3.19: P-values from ranksum tests for differences between seller a	nd buyer i	n
proposals by default contract – group level		

1 1	2		0 1	
Default:		Pro	posal	
	Blue	Yellow	Green	White
Blue	0.0833	0.0202	0.3865	0.1859
Yellow	0.5637	0.0202	0.0180	0.5637
Green	0.1102	0.0994	0.0814	0.1804
White	0.2396	0.0194	0.0796	0.0360
All	0.0967	0.0000	0.3347	0.2469

Table A.3.20: P-values from ranksum tests for differences between seller and buyer in contracts by default contract – group level

	2		0 1			
Default:		Contract				
	Blue	Yellow	Green	White		
Blue	0.1776	1.0000	0.6592	0.3749		
Yellow	0.7728	0.5637	0.0384	0.6592		
Green	0.5637	0.8501	0.2425	0.3035		
White	0.7715	0.1081	0.2186	0.6612		
All	0.9398	0.5470	0.1790	0.8205		

#### A.4 Differences in acceptance behavior by default contract

If a responder has to make a decision s/he has the choice between two contracts, one of these being the default contract. We collected all the cases where buyers (sellers) have the choice between the same two contracts and tested by means of chi-square tests whether the choices are different by default status of the contracts. The resulting p-values are reported in Table A.4.1. A minus () indicates that the default contract is chosen significantly *less* often.

Proposal:	Acceptance by				
	Buyer	Seller			
Blue vs yellow	0.977	0.311			
Blue vs green	0.009 (-)	0.002(-)			
Blue vs white	0.042 (-)	0.018(-)			
Yellow vs green	0.902	0.075 (-)			
Yellow vs white	0.119	0.293			
Green vs white	0.155	0.104			

Table A.4.1: P-values from chi2 tests for differences in acceptance by default contract – observation level

### A.5 Breach decisions

The final stage of the interaction between buyer and seller is the seller's breach decision. In the main text we just presented the main experimental finding with respect to actual breach decisions (see Result 6 reported in Subsection 4.3). In this section we substantiate this finding by providing the actual numbers. Table A.5.1 presents the frequencies of breach and no-breach decisions by actual contract. In parentheses this table also reports for each frequency which percentage of the breach decisions maximizes sellers' payoff.

	Tuole The		iedenes of deta	ui comitact	
Breach		Total			
-	SP-prop	SP-lia	EX	RE	_
	'Yellow'	'Green'	'Blue'	'White'	
No	212	297	491	57	1,057
	n.a.	(100%)	(100%)	(89%)	
Yes	0	6	320	217	543
	n.a.	(0%)	(100%)	(98%)	
Total	212	303	811	274	1,600

Table A.5.1: Number of breaches by actual contract

Remark: The percentage of breach decisions that maximizes sellers' payoffs appear within parentheses. n.a. = not applicable.

Under the EX contract all breach decisions maximize sellers' payoffs. Note that under this contract no other motives than own payoff maximization can reasonably play a role. Buyers always earn 80, so sellers can just take the breach decision that maximizes own

payoffs. All breach decisions are therefore efficient as well. Under the yellow contract the breach decision stage is omitted. Under the green contract only 6 out of 303 (2%) times the seller decides to breach, although this can never be beneficial for him. The average value of T for these 6 cases equals 677 (with a minimum of 644 and a maximum of 698). These are thus cases in which the seller accepts a slightly lower payoff (i.e. a reduction of 23 points on average), thereby giving the buyer a large gain of 280 (=336–56). Under the white contract own payoff maximization requires sellers to breach only when T exceeds 140. 10 out of 274 (4%) decisions deviate from this rule.<sup>1</sup> Because the actual breach decisions are so close to the predicted breach decisions, the shares of breaches under the different contracts are almost identical to the predicted breach probabilities; zero under the yellow and green contracts, 0.40 under the blue contract and 0.80 under the white contract (cf. Table 1 in the main text).

Table A.5.2: Efficiency of breach decisions						
Contract	T < 4	420	T > 4	420		
-	no breach*	breach	no breach	breach*		
Yellow	132	0	80	0		
Green	197	0	100	6		
Blue	491	0	0	320		
White	57	129	0	88		

Remark: \* indicates the efficient decision.

Joint payoffs are maximized when sellers do not breach for T < 420 and breach if T > 420. Table A.5.2 shows how often sellers breach by actual contract and by T exceeding or falling short of 420. Under the blue contract breach decisions are always efficient. Under the yellow contract breach is not possible, which is only efficient when T < 420. Under the green contract sellers almost never breach. As a result 100 out of 106 breach decisions under the green contract are inefficient when T > 420. Under the white contract sellers always (efficiently) breach when T > 420, and very often (inefficiently) breach when T < 420. Taken together, the above findings yield Result 6 in the main text, which is reproduced here for convenience.

**Result 6**: Breach decisions almost always maximize sellers' payoffs. Breach decisions are always efficient under the EX contract and very often inefficient under the other three contracts.

<sup>&</sup>lt;sup>1</sup> In 6 cases sellers don't breach when they should (T between 140 and 198, average T equals 161) and in 4 cases sellers breach when they shouldn't (T between 82 and 131, average T equal to 110). Only in 2 out of the 6 cases in which the seller doesn't breach where s/he is predicted to do so, the seller is responsible for the choice of the white contract. In 3 out of the 4 cases where the seller breaches where s/he is predicted not to breach, the buyer is responsible for the choice of the white contract.