

### Solution 3

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This solution is based on splitting the profit of the sale and crediting the difference between investment contributions to the partner that paid more.

The same initial calculations as in Solution 1:

Jae Eun:  $\$50\,000 + \$8\,500 = \$58\,500$

$\$58\,500 \times 1.5 = \$87\,750$  (Jae Eun's initial contribution weighted at 1.5x)

Ted:  $\$22\,000 \times 1.5 = \$33\,000$  (Ted's initial contribution weighted at 1.5x)

Ted continued to contribute \$1250/month for 5 years.

$\$1250 \times 5 \text{ years} \times 12 \text{ months/year} = \$75\,000$

In total, Ted invested:  $\$33\,000 + \$75\,000 = \$108\,000$

Ted invested more than Jae Eun:  $\$108\,000 - \$87\,750 = \$20\,250$ .

Ted paid \$20 250 more than Jae Eun.

Split the sale income:  $\$750\,000 \div 2 = \$375\,000$

As Ted invested more in the company, he will receive \$20 250 more than half the sale price, while Jae Eun will receive \$20 250 less than half the sale price:

Jae Eun:  $\$375\,000 - \$20\,250 = \$354\,750$

Ted:  $\$375\,000 + \$20\,250 = \$395\,250$