Figure 1

The Restricted Regulator Game

Seller 1

sell now

wait

Seller 2

sell now

wait

sell now

wait

Seller 1: \((2v+\varepsilon)/2\)  
Seller 2: \((2v+\varepsilon)/2\)  
Joint: \(2v+\varepsilon\)  
DWL: 0

\(v\)  
\(v+\varepsilon\)  
\(2v+\varepsilon\)  
\(\delta\)

\(\varepsilon\)  
\((2v+\varepsilon-\delta)/2\)  
\(\delta\)  
\(\delta\)
Figure 2

The Regulatory Discretion Game

<table>
<thead>
<tr>
<th></th>
<th>Regulator</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\rho$</td>
<td>$\rho$</td>
</tr>
<tr>
<td>Holdouts only</td>
<td>$\pi+\varepsilon-\kappa^*$</td>
<td>$\pi$</td>
</tr>
<tr>
<td>Non-holdouts</td>
<td>$\rho+(1-\gamma)\kappa^*$</td>
<td>$\rho$</td>
</tr>
<tr>
<td>Rent seek</td>
<td>$\rho+\pi-\varepsilon/2$</td>
<td>$\rho+\pi+\varepsilon(1-\gamma/2)$</td>
</tr>
<tr>
<td>Profit seek</td>
<td>$\rho+\pi-\gamma(\varepsilon/2)-\lambda$</td>
<td>$\rho+\pi-\lambda$</td>
</tr>
</tbody>
</table>

Note: $\kappa$ denotes rent-seeking expenditures, which at the critical value $\kappa^* = \varepsilon/2$. 
Figure 3

The Comparative Game

Social: \[ \rho + \pi - \frac{\varepsilon}{2} \]  \[ \rho + \pi \]  \[ \rho + \pi - \gamma(\varepsilon/2) - \lambda \]  \[ \rho + \pi - \lambda \]  \[ 2\nu + \varepsilon \]  \[ 2\nu + \varepsilon \]  \[ 2\nu + \varepsilon - \delta \]

DWL: \[ \frac{\varepsilon}{2} \]  \[ 0 \]  \[ \gamma(\varepsilon/2) + \lambda \]  \[ \lambda \]  \[ 0 \]  \[ \delta \]  \[ \delta \]  \[ \delta \]