

H-RXUQDO RI 7D[5HVHDFK YRO QR SS

,GHQWLW\ WKHIW DQG WD[FU
PDGH LW HDVLHU WR GHIUDXG

0DWKHZ /HLJKWRQ 'DO\

\$EUVUDFW

7KH PRGHUQ SKHQRPHQRQ RI RQOLQH DSSOLFDWLRQV DQG SURFHVVHV PHDQ WKD
ERWK WKH UHYHQXH DQG RWKHUV EDVHG RQ LGHQWLW\ WKHIW 7KLV DUWLFOH
LQYHVWLJDWLRQ DQG VXEVTXHQW SURVHFXWLRQ WR LGHQWL\ ILQDQFLDO F
LQIRUPDWLRQ 7KH DUWLFOH DQDO\VHV WKH GHWHFWLRQ RI ILQDQFLDO FULPH
KRZ HIIHFWLYHO\ H[LVWLQJ SURFHGXUDO ODZ DQG FULPLQDO RIIHQFH OHJLVODW
7KH DUWLFOH FRQFOXGHV WKDW ZKLOH WHFKQRORJ\ KDV FUHDWHG QHZ RSSRUW
WHFKQRORJ\ FRXSOG ZLWK H[LVWLQJ ODZ VXUURXQGLQJ WKH SURRI RI GDWD
LQFOXGLQJ WKH \$XVWUDOLDQ 7D[DWLRQ 2IILFH FDQ FRXQWHU HYHQ WKH PRUH
SDUWLHV EDVHG RQ WD[SD\HU LQIRUPDWLRQ

.H\ ZRUVW[DGPLQLVWUDWLRQ WD[HYDVLRQ FULPH LGHQWLW\ IUDXG

6FKRRO RI /DZ 8QLYHUVLW\ RI :ROORQJRQJ

H-RXUQDO RI 7D[5HVHDUFKU IP y P0

H-RXUQDO RI 7D[5HVHDFK

,GHQWLW\ WKHI

ILQDQFLDO WUXVW† WKDW WKH IUDKZMOWURRUWRLDDOH W
WUXVWHG SHUVRQV EHFPH WUXVW YLRODWRUV ZKHQ W
ILQDQFLDO SUREOHP WKDW LV QRQ VKDUDEOH DUH DZD
UHVROYHG E\ YLRODWLRQ RI WKH SRVLWLRQ RI ILQDQFL

UHOLDELOLW\ RI IDFWV DGGXFHG LQ FULPLQDO SURFHGG
 EHLQJ EH\RQG D UHDVRQDEOH GRXEW %\ WKH VDPH WRN
 SHUVRQ JXLOW\ LQ D ILQDQFLDO FULPH FDVH RQH PLJKV
 FRPSOH[ILQDQFLDO SURGXFWWKBQZRUUDQVIDQFWLRQJWF
 WKH H[WHQW RI DQG W\SRORJLHV XVHG LQ ILQDQFLDO F
 FRQYLFWLRQ GDWD PD\ QHHG WR EH WUHDWHG ZLWK FDU

2EWDLQLQJ UHOLDEOH GDWD LQ UHODWLRQ WR ILQDQFL
 FRPPHQWV DERYH PRVW LQGLFWDEOH SURVHFXWLRQV D
 ZKLFK RIWHQ GR QRW UHSRUW WKHLU GHFLVLRQV ,QIF
 SURFHGHGLQJV LQFOXGLQJ WUDQVFULSWV GRFXPHQWV WH
 DV DQ\ IDFWV DJUHHG EHWZHHQ WKH SDUWLHV PD\ RQO\

7KH IROORZLQJ LV D GLVFXVVLQJ DQG DQDO\VLV RI VRPH
 SURVHFXWLRQ RI FHUWDLQ SHUVRQV DULVLQJ IURP 6WUL
 WKH 1HZ 6RXWK :DOHV 3ROLFH)UDXG 6TXDG 6WDWH &L
 PRUWJDJH IUDXG7KA\$XFWWUDQSDRGXFHG EHORZ DUH WDN
 WLWOHG μ\$JUHHG 6WDWHPHQW RI)DFWV¶ ZKLFK ZDV F
 'LVWULFW &RXUW ILOH

2IIHQGHUV¶ PHWKRG RI RSHUDWLRQ

&RXUW GRFXPHQWVWKDWRV KM RSHUDWLRQJOLVHG

7KH RIIHQGHUV ZRXOG REWDLQ FRSLHV RI LGHQWL
 LGHQWLILFDWLRQ LQIRUPDWLRQ IURP WD[SD\HUV ZLWK
 ZKHWKHU WKHVH WD[SD\HUV ZHUH FRPSOLFLW WR DG
 VHWWOHG

&HUWDLQ GRFXPHQWV UHODWLQJ WR WKH WD[SD\HUV
 IDOVLILHG WR VKRZ D KLJKHU WD[DEOH LQFRPH FKHBC

WR IDFH FRQWDFW EHWZHHQ WKH DSSOLFDQW DQG S
FRPSDQ\

7KH RIIHQGHUV FDXVHG WKH PRQH\ RU SURSHUW\ REWD
PDGH DYDLODEOH WR WKHP 7KLV LQYROYHG WKH RIIHQ
GLVVLSDWLQJ WKH PRQLHV

:KHQ WKH WD[SD\HUV GHIDXOWHG LQ UHVSHFW RI W
SURFHHGLQJV ZHUH FRPPHQFHG DJDLQVW WKHP WKH
NQRZOHGJH RI KDYLQJ DSSOLHG IRU ILQDQFH LQ WKH II
EHHQ WKH YLFWLP RI DQ LGHQWLW\ IUDXG

0DQ\ RI WKH IUDXGV LQYROYHG FRPSDQLHV :KHUH FRPS
ZRXOG UHFRUG WKH QDPHV RI WD[SD\HUV DV GLUHFWRU
UHJLVWHU RI WKH \$XVWUDOLDQ 6HFXULWLHV DQG ,QYH
WD[SD\HUV LQ IDFW KDG QR LQYROYHPHQW ZLWK WKH FRP
WR WKH H[WHQW RI SURYLGLQJ WKHLU SHUVRQDO LQI
WKHPVHOYHV WKH GHSOR\PHQW RI WD[SD\HUV LQ WKH V
HVVHQWLDO FRPSRQHQW RI WKH VFKHPH DQG PD\ KDYH G

7KH RIIHQGHUV FRPPXQLFDWHG EHWZHHQ WKHPVHOYHV D
YLD PRELOH SKRQH 7KLV FRPELQHG ZLWK XVLQJ WKH
IDFLOLWLHV DQG DV FRPSDQ\ GLUHFWRUV DQG VKDUHK
GHVNWRS FKHFNLQJ RU LQYHVWLJDWLRQV E\ WKH ILQDQF
WKH FRQILGHQWLDOLW\ RI WD[SD\HU LQIRUPDWLRQ ZD\
DGYDQWDJH

)UDXGV DJDLQVW ZKRP

)LUVW DQG REYLRXVO\ WKH VFKHPHV LQYROYHG D IUDXG I
SURYLGHG WKH IDFLOLWLHV SXUSRUWHGO\ WR WKH WD[S
WKH \$72 7KLV ZDV LQ WZR GLIIHUHQW ZD\V ,W ZDV D IU
IUDXGVWHUV ZHUH WKH EHQHILFDULHV RI WKH PRQH\ RU
WKH VFKHPH DQG REYLRXVO\ WKLV ZDV QRW UHSRUWHG
\$72 EHFDXVH WKH IUDXGVWHUV ZHUHi72H\WHG D4@ H WH

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E WHQGHULQJ D GRFXPHQW WKDW
L LV RU SXUSRUV WR EH D FRS\ RI WKH GR
LL KDV EHHQ SURGXFHG RU SXUSRUV WR
GHYLFH WKDW UHSURGXFHV WKH FRQWHQW
F LI WKH GRFXPHQW LQ TXHVWLRQ LV DQ DUWL
UHFRUGHG LQ VXFK D ZD\ DV WR EH FDSDEOH RI
RU LQ ZKLFK ZRUGV DUH UHFRUGHG LQ D FRGH L
WHQGHULQJ D GRFXPHQW WKDW LV RU SXUSRUV
G LI WKH GRFXPHQW LQ TXHVWLRQ LV DQ DUWL

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GRFXPHQWV† 7KLV VHFWRQ QRW RQO\ IDFLQDWHV WK
DQ\ VXPPDU\ DGGXFHG IURP WKH JHQHUDO SURKLELWLRQ

7KH GHILQD\ RI GLJLWDO HYLGHQFH SHOD\ IDFLQDWHV SURRI
RWKHU IRUPV RI GLJLWDO HYLGHQFH WKDW PLJKW EH UHO
FULPH ,Q 6WULNH)RUFH \$SLD DOWKRXJK WKH ODZ RI HY
UHQDELOLW\ RI WKH HYLGHQFH DGGXFHG LQ WKH WULD
DGYHUVHO\ RQ HLWKHU LQYHVWLJDWLYH DQG RU SURVHF
DERYH DQDO\VLV WKH H\ (LYLGHQFH \$SLD LVRQ MDFILQDWHV
LQYHVWLJDWLRQ DQG SURVHFXWLRQ RI WHFKQRORJ\ HQD

)LQDQFLDO FULPH RIIHQFHV

+DYLQJ FRQVLGHUHG ZKHWKHU WKH ODZ RI HYLGHQFH HI

H-RXUQDO RI 7D[5HVHDFK

,GHQWLW\ WKHI

D WKH SHUVRQ E\ D GHFHSWLRQ GLVKRQHVVW\ IURP DQRWKHU SHUVRQ DQG

E WKH RWKHU SHUVRQ LV D &RPPRQZHDOWK HQW 3HQDOW\ ,PSULVRQPHQW IRU \HDUV

\$EVROXWH OLDELWLW\ DSSOLHV WR WKH SDU RIIHQFH

7ZR OLPLQDO HOHPHQWV UHTXLULQJ VDWLVIDFWLRQ LQ D WKHULPLQDO RULPHV (&ULPHV \$FWJH GHFHSWLRQ DQG GLVKRQHVVW\ ,Q UHODWLRQ WR WKH IRUPHU OLHV PLVW FODVVLF LQGLRQGRQ DQG *OREH)LQDQWPHK&RHSRUDWLRQ GHILQHGH GHFHSWLRQ DV IROORZV µ7R GHFHLYH LV ,DS WKDW D WKLQJ LV WUXH ZKLFK LV IDOVH DQG ZKLFK WKH EHOLHYHV WR EH IDOVH¶ 7KLV SDVVDJH SZLV DSKURYHG 4XHHQLNH VHFWRQ&ULPHRI\$FWJH: VHFWRQ RI WKH &ULPLQDO[&RHSVVO\ GHILQHGH µGHFHSWLRQ¶ WR LQFOXGH

x D GHFHSWLRQ DV WR WKH LQWHQWLRQV RI WKH SHU SHUVRQ DQG

x FRQGXFW E\ D SHUVRQ WKDW FDXVHV D FRPSXWHU D WR PDNH D UHVSRQVH WKDW WKH SHUVRQ LV QRW DX

&XsLpR XVG\ 0V GHFHSWLRQ xQ@U WLKH@RPPRQZHDOWK F GLVKRQHVVW\ ZKLFK LV GHILQHGH LQDQWPHK&RHSRUDWLRQ R%WKH WKHULPHV \$FWJH LV WKH VXEMHFW RI GHWDLOHG G

K @ & Xtp

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7KLV TXRWH ZRXOG VXJJHVW WKDW WKHUHFRQFHSWFRGHIDQD
PD\ QRW KDYH EHHQ LQWHQG HG WR H[WHQG WR HYDGHG V

\$DWKPHJK&KQGHNV&HWRP@HKLVDGHRQLWLQRRIµ2EWD
DGYDQWDJH RU FDXVLQJ D ILQDQFLDO GLVDGYDQWDJH
LQFOXGHV WHPSRUDU\ ILQDQFLDO DG&DQMLDQHV &WGHWH
\$WFRPPRQ ODZ LW LV E\ QR PHDQV FOHDU ZKHWKHU H
DPRXQW WR D ILQDQFLDO DGYDQWDJH)RU H[DPSOH WKH
YDOXH OHVV FKHTXH ZDV LQ IDFWD FRQGLWLRQDO SD\PHQ
E\ WKH SD\LQJ EDQN 7KXV QR FUHGLW ZDV DVNHG IRU E
EXW QRW D IUDXG WR REW&RQYHULVDFWLRQBG3XEVDFH
3BRW6HFXVLRQQ\RUUXEQUHU

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ZLWK H[LVWLQJ ODZ VXUURXQGLQJ WKH SURRI RI GDWD
UHJXODWRU\ DJHQFLHV LQFOXGLQJ WKH \$72 DSSHU W
WKH PRUH VRSKLVWLFDFWHG DWWHPSWV WR GHIUDXG WK
WD[SD\HU LQIR