

Yd f HU'ZHI Fy Yf WASSJ c"%Zr"&d d'(\*\*)S:

, QODQG 5HYHQXH IDFLOLWDV  
WKDQ VHWVOLQJ GLVSXWHV

\$QGUHZ 0DSIOHQGDQGG\$HOLVWDLU +RGVRQ

\$EUVUDFW

7KH WD[ GLVSXWH UHVROXWLRQ SURFHVV LQ 1HZ =HDODQG ZDV UHIRUPHG L  
&RPPLWWHH 6LU ,YRQF \$UGUHJHRY QK EZDYBUXY Yi YSfufhahh DQLVDWLRQDO 5  
&RPPLWWHH IRXQG D QXPEHU RI VKRUWFRPLQJV ZLWK WKH WKHQ H[LVWLQJ  
GHVLJQHJ WR SURPRWH WKH HDUO\ UHVROXWLRQ RI WD[ GLVSXWHV 7KH FX  
5HYLHZ &RPPLWWHH\U UHFRPPHQGDWLRQV FDPH LQWR HIIHFW RQ 2FWREH  
WKDW GDWH 2Q \$SULO YDULRXV DGPLQLVWUDWLYH FKDQJHV ZHUH LP  
PHHWLQJV IDFLOLWDWHG E\ DQ ,QODQG 5HYHQXH IDFLOLWDWRU D SURFHVV

7KLV UHVHDUFK VRXJKW WKH YLHZV RI WD[ SUDFWLWLRQHUV LH WD[ ED  
SHUVRQQHO UHSUHVHQWLQJ WKH YLHZV RI ,QODQG 5HYHQXH RQ WKH RSHUD  
IDFLOLWDWHG FRQIHUHQFHV DQXDOO\ DQ XSWDNH RI SHU FHQW 7KH WD  
DUH IXQFWLRQLQJ ZHOO DQG PHHWLQJ WKHLU RULJLQDO REMHFWLYHV )DF  
SDVVLYH RU µFKDLU RI WKH PHHWLQJ\ UROH WR D PRUH DFWLYH UROH WKH  
EH FRQFHVVLRQV E\ HLWKHU RU ERWK SDUWLHV DW WKH IDFLOLWDWHG FRQ  
UHVXOW LQ WKH LVVXH EHLQJ QDUURZHG GRZQ XOWLPDWHO\ OHDGLQJ WR  
RI WD[ SUDFWLWLRQHUV LV WKDW IDFLOLWDWHG FRQIHUHQFHV VKRXOG QRW  
LQWHUYLHZHHV

:KLOH DUHDV IRU LPSURYHPPHQW DUH LGHQWLILHG ± LQ SDUWLFXODU WKH U  
± DV QRWHG LQWHUYLHZHHV JHQHUDOO\ DJUHHG WKDW IDFLOLWDWHG FRQH  
+RZHYHU D QXPEHU RI WD[ SUDFWLWLRQHUV H[SUHVVHG FRQFHUQ RYHU WK  
V\WHP LWVHOI ZKLFK FRQLQXHV WR EH VHHQ DV ERWK H[SHQVLYH DQG W

.H\ ZRUQV LQDFLOLWDWHG FRQIHUHQFHV WD[ GLVSXWHV GLVSXWH UHVROXWLRQ

H-RXUQDO RI 7D[ 5HVHDFK

H-RXUQDO RI 7D[ 5HVHDFK

H-RXUQDO RI 7D[ 5HVHDFK

H-RXUQDO RI 7D[ 5HVHDFK,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

\$JDLQVW WKLV EDFNJURXQG IDFLOLWDWHG FRQIHUHQFH SURFHVV JLYLQJ WKH WD[SD\HU DQG ,QODQG 5HYHQX ILUVW WLPH WR HLWKHU UHVROYH WKH GLVSXWH RU DW WKH PDWWHU WR WKH QH[W VWDJH LQ WKH SURFHVV LQ WKH SURFHVV ± DV QRWHG LQ VHFWRQ RI WKLV FRQIHUHQFHV DFKLHYH UHVROXWLRQ DW WKH FRQFH FRQIHUHQFH VWDJH KDV QRW EHHQ H[DPLQHG LQ GHS REMHFWLYHV WKH ILUVW RI ZKLFK LV WR EHWWHU XQ IDFLOLWDWHG FRQIHUHQFH DQG WKH H[SHULHQFHV F GUDZLQJ IURP WKH ILUVW REMHFWLYH LV WR HYDOXD WR WKLV SDUW RI WKH GLVSXWH SURFHVV :KLOH WD[ FRQIHUHQFH SURFHVV ,QODQG 5HYHQXH LV FOHDUO\ LQYROYHG IRU FRQILGHQW EDVLRQ DW WKLV VWDJH L FOLHQWV ZLOO EH UHSUHVHQWHG DQG UHOLDQW RQ SURFHVV WKH\ PD\ KDYH FRPSDUDWLYHO\ OLPLWHG WKH\ GR DWWHQG \$FFRUGLQJO\ WKLV DUWLFOH VHH RI IDFLOLWDWHG FRQIHUHQFHV WKURXJK VHHNLQJ IHI LQ WKH SURFHVV WD[ SUDFWLWLRQHUV DQG WKH WKLV

6HFWLRQ RI WKLV DUWLFOH EULHIO\ RXWOLQH WKH SURFHVV LQFOXGLQJ IDFLOLWDWHG FRQIHUHQFHV 'H DUH RXWOLQH LQ VHFWRQ \$V WKH DUWLFOH DLP HIIHFWLYHQHV RI ,QODQG 5HYHQXH IDFLOLWDWHG TXDOLWDWLYH VWUDWHJ\ RI LQTXLU\ WKURXJK LQWHU IURP ,QODQG)RUWKXHSXUSRVHV RI WKLV DUWLFOH W DV µ7D[ 3UDFWLWLRQHU ¶ WKURXJK WR µ7D[ 3UDF LQWHUYLHZHHV DV µ,QODQG 5HYHQXH 3HUVRQQHO ¶ LQWHUYLHZ LQYROYHG WZR SUDFWLWLRQHUV IURP W LQWHUYLHZ FRPPHQWV FLWHG LQ WKLV DUWLFOH E\ LGHQWLILHG DV IURP 7D[ 3UDFWLWLRQHU \$ RU 7D[ 3U RXWOLQH LQ VHFWRQ 5HVHDFK ILQGLQJV DQG U IROORZHG E\ F\U °DVHLILH QH 5VH P•0€ ``€€ VH `¶`





H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

1HZ =HDODQG FRQWH[W ZKLOH QRW LQGSHQGHW R  
DUH UHTXLUHG WR DFW LQ D QHXWUDO DQG LPSDUWLD  
VHOHFWHG IRU D SDUWLFXODU FRQIHUHQFH ZLOO KD  
JLYHQ DGylfH RQ WKH GLVSXWH SULRU WR WKH FRQIH





H-RXUQDO RI 7D[ 5HVHDFK,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

LPSRUWDQWO\ WKH OHYHO RI WD[SD\HU WD[ SUDFWLWLRQ  
FRQIHUHQFH SURFHVV DQG RXWFRPH KHQFH D PRWL

5(6(\$5&+ 0(7+2'

6HPL VWUXFWXUHG LQWHUYLHZV

7KLV VWXG\ XWLOLVHG VHPL VWUXFWXUHG LQWHUYLHZ  
RUGHU WR REWDLQ IHGDFN RQ WKH IXQFWLRQLQJ  
IDFLOLWDWHG FRQIHUHQFHV IURP WD[ SUDFWLWLRQH  
RI WKH DLPV RI TXDOLWDWLYH UHVHDFK LV WR JDL  
SDUWLFLSDQWV UDWKHU WKDQ WR PHQFH QLGHUHQFHV  
ZH GLG QRW VHHN D ODUJH VDPSOH RI LQWHUYLHZHHV  
PRUH DSSURSULDWH PHWKRQ IRU WKLW UHVHDFK WKD  
VXUYH\ TXHVWLRQQDLUHV LQWHUYLHZV FDQ DOORZ  
GHVFULSWLRQ DQG FODULILFDWLRQ RI LVVXHV IURP  
SRWHQWLDOO\ DOORZV IRU PRUH LQVLJKW WR EH GU  
TXHVWLRQQDLUH PHWKRQ

,QWHUYLHZ JXLGH GHYHORSFHQW

\$Q LQWHUYLHZ JXLGH ZDV GHYHORSHG WR HQVXUH  
V\VWHPDWLF DQG DSSURSULDWHO\ IRFXVHG RQ WKH V  
UHYLHZHG E\ D WD[ DFDGHPLF DQG D WD[ SUDFWLWLR  
LQYROYHG DV LQWHUYLHZ SDUWLFLSDQWV \$V D FRQ  
WR WKH LQWHUYLHZ JXLGH DQG DPHQGPHQWV ZHUH  
SXUSRVHV RI FODULW\

7KH LQWHUYLHZ JXLGH FRQVLVWHG RI WCUHH SDUW  
LQIRUPDWLRQ IURP WKH SDUWLFLSDQWV RQ WKH IDF  
LQYROYHG LQ LQFOXGLQJ WKH W\SHV DQG FRQGLV  
VRXJKW IHGDFN RQ WKH RSHUDWLRQ RI WKH IDFLO  
RQ YDULRXV WLPHUDPHV UHVROXWLRQV DFKLHYHG  
7KH WKLUG SDUW RI WKH LQWHUYLHZ JXLGH DVNHG  
SHUFHLYHG DGYDQWDJHV DQG GLVDGYDQWDJHV RI IDF  
FRQIHUHQFH SURFHVV FRXOG EH FKDQJHG DQG LPSU  
SURYLGH DQ\ JHQHUDO FRPPHQWV WKDW WKH\ KDG RQ

6DPSOH VHOHFWLRQ

3XUSRVLYH VDPSOLQJ ZDV XVHG LQ VHOHFWLRQJ WKH  
DERYH WKH DLP RI WKH TXDOLWDWLYH UHVHDFK F

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0F.HUFKDUJQ DQG &RQGXFW RI 5HVHDFK DERYH /DZ DQG \$FFRX  
2WKHU DGYDQWDJHV RI LQWHUYLHZV RYHU VHOI DGPLQLVWHUHG  
UHVSRQVHV DQG PLVXQGHUVWRRG TXHVWLRQV )RU IXUWKHU LQIR  
6RFLDO 5HVHDFK OHWKRQV 4XDOLW\ DQG %DPRQLWKLGH  
\$%DEK 3UDFWLFH RI 6RFLDO WKHURF /HUUQLQJ WK HG  
1RW DOO RI WKH FDWHJRULHV RI SDUWLFLSDQWV ZHUH DVNHG D  
RI WKH TXHVWLRQV ZHUH QRW DSSOLFDEOH WR WKH ,QODQG 5HYH  
UHSUHVHQDWLYHV ZHUH DOVR DVNHG DGGLWLRQDO TXHVWLRQV  
FRQGXFWHG ZLWK XQUHSUHVHQWHG WD[SD\HU" :KDW LV WKH UH  
SSHQGLFHV \$ DQG % IRU WKH LQWHUYLHZ JXLGHV XVHG IRU WD  
UHVSHFWLYHO\

H-RXUQDO RI 7D[ 5HVHDUF, QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

LQIRUPDWLRQ IURP WKH SDUWLFLSDQWV 7KH IRFXV Z















H-RXUQDO RI 7D[ 5HVHDUFK,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

:H KDYH IRXQG WKDW IRU VRPH FRQIHUHQFH PHH  
PRUH UHFHQWO\ 0KEDUWZRHQ 7XVDFG VXFHVVIXOC  
PDLQO\ EHHQ ZLWK VRSKLVWLFDFWHG FRUSRUDWH  
7KHUH KDV DOVR EHHQ D FRVW VDYLQJ IRU WKH  
QRW QHHGHG WR WUDYHO IRU WKH PHHWLQJ 7K  
GXH WR UHGXFHG WUDYHO DOVR

7KH UHVHDUFKHUV XQGHUVDQG WKDW WKH QXPEHU  
ORFNGRZQ LV QRZ EDFN WR SUH ORFNGRZQ OHYHOV

,W ZDV DFNQRZOHGJHG E\ WKH WD[ SUDFWLWLRQH  
DFFRPPRGDWLQJ RYHU WKH IRUP WKH IDFLOLWDWHG  
5HYHQXH 3HUVRQQHO FRPPHQWHG LQ WHUPV RI IDFH

DW WKH VPDOO HQG RI WRZQ LQ SDUWLFXODU ZH  
LQ WKH URRP ZLWK WKH FXVWRPHU WKH WD[SD\H  
FRPLQJ LQ RQ WKH SKRQH RU YLGRH RU ZKDWHYH  
WU\ WR DGGUHVV DQ\ DQ[LHW\ RU ZKDWHYHU

7KH IDFLOLWDWHG FRQIHUHQFHV ZLOO RIWHQ EH KHO  
GHFLVLRQ EHLQJ RQH DERXW μFRPIRUW¶

,W¶V LPSRUWDQW IRU XV WKDW RXU FOLHQW IHH  
FRPIRUWDEOH DW RXU SUHPLVHV DQG RXU ERDU  
OLNHZLVH ZH WU\ WR PDNH WKH ,5' IHHO DV XC  
3UDFWLWLRQHU

2WKHU UHDVRQV IRU KRVLQJ WKH IDFLOLWDWHG FR  
LQFOXGH ORJLVWLFDO IDFWRUV VXFK DV EUHDN RXW  
PHHWLQJV 2Q RFFDVLRQ WKH FOLHQW¶V RIILFHV ZR  
SUDFWLWLRQHUV UHJXODUO\ XVH ,QODQG 5HYHQXH SU

/HQJWK RI WKH IDFLOLWDWHG FRQIHUHQFH

7D[ SUDFWLWLRQHUV FRPPHQWHG IDFLOLWDWHG FRQI  
GXUDWLRQ ± LI WKH ODWWHU ZLWK D EUHDN DW VRP  
FRQVLGHU LWV SRVLWLRQ ,QODQG 5HYHQXH LQGLFD  
PDMRULW\ EHLQJ DURXQG WZR KRUVV DQG YHU\ RFFI  
QXPEHU RI GD\V ,QODQG 5HYHQXH 3HUVRQQHO ZKH  
SURJUHVV LV EHLQJ PDGH WRZDUGV VHWWOHPHQW μV  
DQG \RXU FOLHQWV NHHQ IRU LW¶ 7D[ 3UDFWLWLRQH

3DUWLHV LQYROYHG

,Q DGGLWLRQ WR WKH IDFLOLWDWRU WKH QXPEHU RI  
DQG QDWXUH RI WKH GLVXWH ± D VPDOOHU GLVXWH  
WKHLU FOLHQW ,QODQG 5HYHQXH HUL W„VKH 0 NH

H-RXUQDO RI 7D[ 5HVHDUF, QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

DWWHQGHHV IRU H[DPSOH IRU WKH WD[SD\HU ±  
DGYLVRUV DQG D WUDQVIHU SULFLQJ VSHFLDOLVW 20





H-RXUQDO RI 7D[ 5HVHDUF, QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

WKDW D IDLOXUH† RQ WKH EDVLV WKDW WKH IROORZ  
LQFOXGLQJ OLWLJDWLRQ DUH H[SHQVLYH DQG WKH V

H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

)JURP D FOLHQW SHUVSHFWLYH DQ\ LQWHUDFWLR  
FROG SRUULGJH 7KH\ MXVW KDWH LW 6R KDYL  
SHUVSHFWLYH D JUHDW RXWFRPH 1RUPDOO\ WK  
WKDW WKH\UHUH JRLQJ WR KDYH WR SD\ VRPHWK  
WKHUH\UHQR PRUH IHHV WKHUH\UHQR PRUH LQW  
OLYHV WKH\ ZRXOG QRUPDOO\ VHH WKDW DV D Z

7D[ 3UDFWLWLRQHU VLPLODUO\ FRQFHGHG

,UHQR WXUH WKDW WKH WD[SD\HU LV HYHU IX  
ZH\YH SXOOHG D ELW RI D UDEELW RXW RI WKH K  
EXW WKHQ WKH\ VWDUW WR KDYH HIIHFWLYHO\  
FRVW LW WRRN WR GR LW

0DQDJLQJ FOLHQW H[SHFWDWLRQV LV WKHUHIRUH FUX  
WR RXU FOLHQWV WKDW WKLW LV DQ RSSRUWXQLW\  
FUDFNLQJ RSHQ WKH FKDPSDJQH DIWHU WKH FRQIHU

%HLQJ KHDUG LV SDUWLFXODUO\ LPSRUWDQW IRU VPD  
KDYH EHHQ KHDUG DQG VHHLQJ VRPH FRQFHVVLRQ  
UHV LJQH WR WKH IDFW WKH\ KDYH JRW DQ RXWFRPH  
,QODQG 5HYHQXH 3HUVRQQHO DJUHHG DQG DV D FRQ  
DIWHU WKH SURFHVV LGHDOO\ ZRXOG EH WKH\ PLJKW  
EXW , WKLQN WKH SURFHVV LV IDLU' UDWKHU WKDQ  
ZD\U

/DUJH FRUSRUDWHV ZRXOG JHQHUDOO\ UXFK UDWKHU  
VHWWOH VRPHWKLQJ HYHQ LI WKH\ GRQUW WKLQN WK  
LQYROYHG LQ D GLVSXWH WKDW FRXOG JR RQ IRU \H  
DSSHWLWH IRU H[SHQVLYH DQG WLPH FRQVXPLQJ OL  
UHSXWDWLRQ ULVN 7R WKH H[WHQW WKDW WKH IDFLC  
UHVROXWLRQ RI WKH WD[ GLVSXWH IRU H[DPSOH SRV  
DV D VXFFHVV

,QODQG 5HYHQXH 3HUVRQQHO DOVR DFNQRZOHGJHG  
VDWLVIDFWLRQ ZLWK WKH RXWFRPH RI WKH IDFLOLWD

« ZH DUH SXOOLQJ RXU KDLU RXW WU\LQJ WR IL  
VWLOO VRPHWKLQJ ZH KDYHQW EHHQ DEOH WR F  
DOO VRUWV RI VXUYH\V DQG QRERG\ ZLOO FRQ  
SRVLWLRQ WR VWDUW ZLWK 6R WKHUH\V OHYHC  
WKH JRRG WKLQJ EXW OHYHOV RI VDWLVIDFWLRQ  
VD\

7KH SHULRG RI WKH IDFLOLWDWHG FRQIHUHQFH SKDVH

,QODQG 5HYHQXH VWDWHV WKDW WKH IDFLOLWDWHG  
IURP WKH LVVXH RI WKH FRQIHUHQFH QRWLFH WR FRQ  
7KLV ZDV WKH H[SHULHQFH RI D QXPEHU RI WD[ SUDFV  
EH D PHGLDQ SRLQW RU DYHUDJH ,QVWDQFHV RI D O





H-RXUQDO RI 7D[ 5HVHDUF, QODQG 5HYHQXH IDFLQLWDWHG FRQIHUHQFHV EHWWHU WK

7KH GHVLJQDWHG UROH RI WKH IDFLQLWDWRU GRHV Q



H-RXUQDO RI 7D[ 5HVHDFK,QODQG 5HYHGXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

μ6KRXOG IDFLOLWDWHG FRQIHUHQFHV EH PDQGDWRU\ IR

,Q UHVSHFW RI WKLW UHVHDFK TXHVWLRQ WD[ SUDFW  
WKDW IDFLOLWDWHG FRQIHUHQFHV EH RSWLRQDO 7D  
DOEHLW UDUH FDUHV ZKHU WKH SDUWLHV ZLOO QH  
KDYLQJ D IDFLOLWDWHG FRQIHUHQFH 6XSSRUWLQJ W  
3UDFWLWLRQHU FRPPHQWHG

6RPH WD[SD\HUV DUH VR DIUDLG RI EHLQJ IDFH V  
WKDW WKH\ KDG WR DFWXDOO\ PHHW ZLWK WKHP  
IRU WKHP « >IRU@ WKRVH WD[SD\HUV WKDW FD  
ZRXOG@ « MXVW EDVLFDOO\ GURS RXW RI WKH S  
LQ D IDFH WR IDFH PHHWLQJ ZLWK WKH ,5' DQG W  
WKHUH SUHVHQW DOO JODULQJ GRZQ DW WKDW

7D[ 3UDFWLWLRQHU FDXWLRQHG WKDW μ>P@DQGDWRU  
D ORW RI FRVW RQ \RX WKDW \RX\YH JRW WR LQFXU  
VKRXOG EH DOORZHG WR GHFLGH ZKHWKHU WKH\ ZDQ  
3HUVRQQHO VDZ GLVDGYDQWDJHV IRU WD[SD\HUV L  
WKRVH WKDW GR QRW ZDQW WR PHHW DW DOO RU ZK  
SURFHVV

7KH FRQIHUHQFH IDFLOLWDWRU

,QWHUYLHZHHV ZHUH DVNHG WR FRPPHQW RQ WKUHH

7KH WUDLQLQJ RI IDFLOLWDWRUV

:KLOH QRW DZDUH RI WKH QDWXUH RI WKH WUDLQLQJ  
ZDV VRPH FRQVHQVXV IURP WD[ SUDFWLWLRQHUV WKD  
UROH WKH\ ZHUH SOD\LQJ μWKH VNLOOVHW RI WKH SH  
7D[ 3UDFWLWLRQHU 7KH\ ZHUH YDULRXVO\ GHVFUL  
IDLU DQG DFWLQJ LPSDUWLDOO\

7KH RQO\ VLJQLILFDQW VXJJHVWLRQ IRU LPSURYHPH  
UHIOHFWLQJ RQ D FRXSOH RI H[SHULHQFHV

, WKLQN VRPH FRXOG SUREDEO\ EHQHILW IUR  
ELJ DJJUHVVLYH SHUVRQDOLWLHV ZLWKLQ WKH ,

H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

1=/6 DQG &\$ \$1= EXW QRWHG WKDW μ>W@KH WD[ FRP  
7D[ 3UDFWLWLRQHU FRPPHQWHG ,QODQG 5HYHQX  
WKDW LW ZDV VRPHRQH ZKR ZDV JRLQJ WR EH LPSDUW  
WD[SD\HU LQIRUPDWLRQ DQG WKH 7D[HSGLFQ LWHTXDWR  
QRZ 7\$\$ VHFWRQ ZHUH UDLVHG E\ 7D[ 3UDFW  
7KH VFRQG YLHZ ± WKDW WKHUH ZDV QR DGYDQWDJH  
E\ D VPDOOHU QXPEHU RI WD[ SUDFWLWLRQHUV ,Q WK  
7KH UHDFW\ LV \RXUHU WU\LQJ WR JHW D GHDO

H-RXUQDO RI 7D[ 5HVHDFU,KODQG 5HYHQXH IDFLDLWDWHG FRQIHUHQFHV EHWWHU WK

QHUYRXV DERXW WKDW IURP D WD[SD\HU¶V SHUVSHFW  
ULJKWV WR FRQWLQXH WR GLVSXWH LI ZH¶UH QRW JHY

\$GYDQWDJHV RI IDFLDLWDWHG FRQIHUHQFHV

7KH WD[ SUDFWLWLRQHUV VDZ D QXPEHU RI PDWHULD  
ZRXOG EH H[WUHPHO\ UDUH IRU WKHP QRW WR UHTXH  
µ>W@KHUH¶V DEVROXWHO\ QR GRZQVLGH IURP P\ SHU  
LQ WHUPV RI KDYLQJ D IUHVK SDLU RI H\HV DQG HDUV  
WKH NH\ LVVXH WR EH QDUURZHG DQG FODULILHG  
,KODQG 5HYHQXH FDQ µGXPS HYHU\WKLQJ LQWR LW >V  
VRUW RI WKLQJ¶ 7D[ 3UDFWLWLRQHU 7D[ 3UDFW  
IDFLDLWDWHG FRQIHUHQFHV LQ WKH IROORZLQJ WHUP

, JXHVV LW¶V WKDW ERWK VLGHV EHLQJ IRUFHG V  
\$QG , WKLQN WKDW FRUUHFW LVVXH IRU WD[ GL  
RYHU WLPH LW¶V QRW D VWUDLJKW OLQH DQG  
LUUHOHYDQW LVVXH DQG DFWXDOO\ QDUURZLQJ  
µOHW¶V DQVZHU WKRVH¶ UDWKHU WKDQ EHLQJ G

\$V DQ DVLGH ZKLOH FODULILFDWLRQ RI WKH UHOHY  
IDFLDLWDWLRQ SURFHVV LW FRPHV DW D FRVW ± RQ  
KHQFH WKH µEXUQ RII¶ RI VPDOOHU WD[ GLVSXWHV ±  
EHORZ 5HILQLQJ WKH LVVXH WKH HQJDJHPHQW EH  
ZHUH VHHQ DV WKH DGYDQWDJHV E\ WKH ,KODQG 5HY  
VHFWLRQ DERYH ,KODQG 5HYHQXH 3HUVRQQHO  
IRU WD[SD\HUV RI VLPSO\ EHLQJ OLVWHQHG WR \$V DO  
LV DOVR RIWHQ WKH ILUVW FKDQFH WKDW WKH ,KODQ  
7D[ 3UDFWLWLRQHU QRWHG WKDW WKH IDFLDLWDWH

H-RXUQDO RI 7D[ 5HVHDUF, QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

2Q UDUH RFFDVLRQV WD[ SUDFWLWLRQHUV PD\ RSW Q

H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

7D[SD\HU EXUQ RII

6HFWLRQ RI WKH DUWLFOH UHIHUUHG WR WKH WD[ GL  
± ERWK LQ WHUPV RI FRVW DQG GHOD\ :KLOH QRW  
TXHVWLRQV D QXPEHU RI WD[ SUDFWLWLQRQHV GLG  
REXHUYHG WKDW WKH IDFLOLWDWHG FRQIHUHQFH SKD

PLJKW FRPH WRR ODWH IRU VPDOOHU WD[SD\HU  
GLVSXWH GRFXPHQWV LV VHULRXVO\ WLPH FRQ  
FRQILGHQW WKHUH ZRXOG EH D EXUQ RII HIIHF  
LVVXH « ZH GR VHH WKDW HYHQ ZLWK VRPH RI W  
DPRXQW RI WD[ DW VWDNH

H-RXUQDO RI 7D[ 5HVHDFK



H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

PRUH IDFH WR IDFH LQWHUDFWLRQ EHIRUH WKH IRUPD  
VHFWLRQ EHZ

7D[ 3UDFWLWLRQHUV DQG ,QODQG 5HYHQXH LQWHUYLH  
FRQIHUHQFHV VKRXOG QRW EH PDQGDWRU\ 7D[ SUD  
SURSRVLWLRQ WKDW WKH IDFLOLWDWRU KDYH WKH D  
H[SUHVVLQJ D YLHZ DV IRU RQH WKLQJ LW ZRXOG F  
FRQIHUHQFH 9LHZV RYHU OHJLVODWLQJ WKH IDFLOLV

7D[ SUDFWLWLRQHUV ZHUH XQDZDUH RI WKH QDWXU  
IDFLOLWDWRUV KRZHYHU LW ZDV DJUHHG WKDW LW Y  
VNLOO VHW DQG DV QRWHG DERYH WKHLU LQGSHQG

H-RXUQDO RI 7D[ 5HVHDFU,KODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

IDFLOLWDWHG FRQIHUHQFH SKDVH LQYROYHG WD[ LQ  
WKKV VPDOO GLVSXWHV DUH XQOLNHO\ WR SUR  
DQG WKKV QRW EHQHILW IURP WKH DGYDQWDJHV QR  
FRQWLQXH WR SURYLGH μD RQH VL]H ILWV DOO↑ SUR  
FRPSOH[LW\ DQG WKH DPRXQW LQ GLVSXWH \$ SUH IF  
FRXOG JR VRPH ZD\ WR DGGUHV FRQFHUQV RI DFFHV  
μEXUQ RII↑ IRU VPDOO WD[SD\HUV

6XSSRUW IRU VXFK DQ DSSURDFK SRWHQWLDOO\ DO  
\$XVWUDOLD WKH 8QLWHG .LQJGRP DQG WKH 8QLWHG  
KRXVH FRQIHUHQFH IDFLOLWDWLRQ SURJUDPPWV LQ  
ZLWK DSSDUHQWO\ JUHDWHU VXFFHVV LI SXEOLVKHG U  
,Q SDUWLFXODU WKH UHVROXWLRQ UDW IRU ,QODQ  
FHQW LV ORZHU WKDQ WKH Wkuhh PHQWLRQ 8QLWHG  
.LQJGRP SBQGFWKM 8QLWHG 6WZWHNH\ GSHUHQFH  
1HZ =HDODQG DQG D SRVVLEOH H[SODQDWRQ IRU WK  
WKDW IDFLOLWDWLRQ FDQ RFFXU HDUOLHU LQ WKH S  
DXGLW VWDJH

6HFRQG VRPH WD[ SUDFWLWLRQHUV ZRXOG DOVR OL  
PRUH DFWLYH SURELQJ UROH LQ WKH IDFLOLWDWLRQ

LI WKH\ FRXOG EH PRUH WKDQ VRPHRQH ZKR MX  
RWKHU &KDOOHQJH WKH WD[SD\HU μ+H\ \RX↑UH  
QR HYLGHQFH RI WKDW +DYH \RX JRW DQ\WKLQJ  
OLNHZLVH IRU WKH 5HYHQXH μ+H\ FRPH RQ 5H  
UHDOO\ KDYH \RX JRW DQ\WKLQJ WR EDFN XS WK  
7D[ 3UDFWLWLRQHU

:KLOH 8 \pLR\_ AG UHVpH A •IHUHQF Vp HOW UUH XL

H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

RXWFRPH RI D FDVH RU D FOLHQW LV XQZHOO DQG GF  
LV QRW IXQFWLRQLQJ ZHOO D SRLQW PDGH E\ ,QODQ

«WKH WKLQJ DERXW WKH WLPHOLQHVV LV IRU VF  
QRW D JRRG FRQIHUHQFH DQ\ZD\ ,W¶V ILQLVKHO  
ZDV D ZDVWH RI WLPH 6R WLPHOLQHVV LV D IXG  
WR NHHS WKH WKLQJ PRYLQJ IRUZDUG ,I LW¶V  
IURP WKDW GHOD\ WKHQ ZH GRQ¶W SXVK LW 6R  
WKLW QRW FORVLQJ RU PRYLQJ RQ « LI LW¶V IU  
ZH SXVK WKH WHDP DORQJ

+RZHYHU WKHUH PD\ DOVR EH RFFDVLRQV ZKHUH WK  
SDUW\ ZKLFK D OHJLVODWHG WLPHIUDPH FRXOG SUHY  
PD[LPLVLQJ WKH EHQHILWV RI WKH IDFLOLWDWHG FR  
SURFHVV PRYLQJ DQ DSSURSULDWH FRPSURPLVH FRX  
VFRSH IRU WKH SDUWLHV WR DJUHH WKDW WKH WLPH  
FRXOG EH DW WKH &RPPLVLRQH¶V GLVFUHWLRQ ZL  
EURDGO\ VWDWHG LQ WKH OHJLVODWLRQ DQG UHIO  
GLVSXWHV 7KH OHJLVODWHG SHULRG FRXOG UHPDLQ  
,QODQG 5HYHQXH 3HUVRQQHO QRWHG WKH WKUHH PR  
SURFHVV ZDV LQLWLDOO\ EHLQJ FRQVLGHUH

)LQDOO\ RQ WKLW SRLQW DQG UHIOHFWLYH RI D ZLGH  
3UDFWLWLRQH UH EHQHYHG WKH IDFLOLWDWHG FRQI  
WKDW µWKH KROH WKHUH LV WKHUH¶V QR WLPH OLPLV  
WKURXJK WKH SKDVHV¶ /DFN RI OHJLVODWHG WLPHI  
UDLVHG E\ RWKHU WD[ SUDFWLWLRQHUV

6HFRQG DQG VRPHZKDW UHODWHG WR WKH DERYH GL  
WD[ SUDFWLWLRQHUV DV WR ZKHWKHU WKH IDFLOLWD  
QXPEHU IDLOHG WR VHH ZKDW SUDFWLFDQ GLIIHU  
SUDFWLWLRQHUV ZHUH YHU\ PXFK LQ IDYRXU RI WKH S  
WKH GLVSXWHV UHVROXWLRQ SURFHVV FRQWDLQV WZ  
VWURQJHVW YLHZ LQ IDYRXU RI OHJLVODWHG FRQIHU

LW LUNV PH WKDW D ORW RI WKLQJV WKDW WKH  
WKLQN WKDW LQ WKH FRQWH[W RI D FHQWUDO  
VWDNHKROGHUV WR KDYH WR WUXVW XQHOHFWH  
XS ZLWK WKH ULJKW SROLF\ LV ZRUULVRPH 6R  
WKLQJV ZKLFK WKH 5HYHQXH V\WHP LWVHOI DV  
ZKROO\ DUWLILFLDO V\WHP ZH VKRXOG EH YHU\  
WKH RIILFLDOV VR ,¶G SUHIHU WR VHH LW OHJLV

'XH WR WKH YDOLG DUJXPHQVV RQ ERWK VLGHV RI W

H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

7KLUG ZKLOH DFNQRZOHGJLQJ WKDW IDFLOLWDWRUV  
PDQQHU D QXPEHU RI WD[ SUDFWLWLRQHUV ZRXOG S  
5HYHQXH IRU H[DPSOH

, WKLQN WKDW F\QLFDOO\ QRW HYHQ F\QLFDOO\  
>IDFLOLWDWRUV@ ZRXOG EH VRPHZKDW UHYHQXH  
FXOWXUH WKDWV ZKHUH WKH\ ZRUN DQG ZKHUH  
OHDVW HQGHYRXU WR SURMHFW WKH SHUFHSWL

H-RXUQDO RI 7D[ 5HVHDUF, QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

FRQIHUHQFH SKDVH RU LQFUHDVHG FODULW\ LQ WKH L  
SUDFWLWLRQHUV LQGLFDWHG LQFUHDVLQJ FRVWV DU  
WR SXUVXH GLVSXWHV WR WKLV VWDJH

7KHUH DUH WKUHH RSSRUWXQLWLHV LQ WKH GLVSXW  
FRQVLGHUHG LQGSHQGHO\ WKH IDFLOLWDWHG FR  
'58 DQG ILQDOO\ LQ FRXUW )RU PRVW GLVSXWDQV  
FRQIHUHQFH SKDVH LV WKH RQO\ UHDOLVWLF RSWLRQ  
GLVSXWH EH\RQG WKH FRQIHUHQFH SKDVH WR HLWKHU  
LV D ORQJ SHULRG EHWZHHQ WKH FRQIHUHQFH SKDVH



H-RXUQDO RI 7D[ 5HVHDUF, QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

IDFLOLWDWLRQ UROH ZRXOG UHTXLUH WKH \$0,1= WUD  
PRUH SUR DFWLYH DSSURDFK





H-RXUQDO RI 7D[ 5HVHDFU,QODQG 5HYHQXH IDFLOLWDWHG FRQIHUHQFHV EHWWHU WK

\*HQHUDO 4XHVWLRQV

+RZ GR ,QODQG 5HYHQXH SURPRWH IDFLOLWDWHG FRQIH

6KRXOG WKH IDFLOLWDWHG FRQIHUHQFH RFFXU DW DQ H

GLVSXWH UHVROXWLRQ SURFHGXUHV" ,I VR ZK\"

6KRXOG IDFLOLWDWHG FRQIHUHQFHV EH PDQGDWRU\ IRU

:KDWÀ "

H-RXUQDO RI 7D[ 5HVHDFK