**/(77(5 72 7+( 5,6' 7(;7,/( '(3$570(17**



³6ODYH &ORWK´ PDQXIDFWXUHG DW RQH WKH +D]DUG¶V PLOOV LQ 5KRGH ,VODQG

7KHUH LV RQH P\WKLFDO KLVWRU\ RI 3URYLGHQFH WKDW LV ODXGHG 5RJHU :LOOLDPV DQG KLV IHOORZ 5KRGH ,VODQGHUV IUDPHG D FRORQ\ JRYHUQPHQW GHYRWHG WR SURWHFWLQJ LQGLYLGXDO ³OLEHUW\ RI FRQVFLHQFH´ DQG DOO ZDV µFRSDFHWLF¶ ZLWK WKH 1DWLYH $PHULFDQV

³:KDW &KHHU ´

+RZHYHU ZLWK WKH OHDVW SRVVLEOH HIIRUW D \*RRJOH VHDUFK RI µ7H[WLOHV ¶ µ3URYLGHQFH ¶ µ6ODYHU\¶ WKHUH LV DQ DEXQGDQFH RI LQIRUPDWLRQ WKDW SRLQWV WR WKH FHQWUDO UROH 3URYLGHQFH SOD\HG LQ WKH $WODQWLF 6ODYH 7UDGH 5,6'¶V HDUOLHVW EHQHIDFWRUV ZHUH 7H[WLOH PDQXIDFWXUHUV DQG 5KRGH ,VODQG ZDV DW WKH IRUHIURQW RI WKH ,QGXVWULDO 5HYROXWLRQ ZLWK LWV

SRZHU GULYHQ WH[WLOH PLOOV 7R OLYH LQ DQ HWHUQDO SUHVHQW DOORZV IRU D FROOHFWLYH DPQHVLD 7KH µVODYH FORWK¶ SLFWXUHG DERYH LV D SODLQ UHPLQGHU WKDW RXU SUHVHQW LV SUHPLVHG RQ D KLVWRU\ WKDW KDV \HW WR EH DFNQRZOHGJHG   
1RW FRQIURQWLQJ ERWK WKH H[SOLFLW DQG LPSOLFLW KLVWRU\ DV D   
GHSDUWPHQW SHUSHWXDWHV D FXOWXUH RI µ:KLWH 6LOHQFH¶ DQG DOORZV WKH IDFXOW\ DQG VWDII WR DYRLG GRLQJ WKH QHFHVVDU\ FROOHFWLYH ZRUN 7KH 7H[WLOHV 'HSDUWPHQW KDV DQ RSSRUWXQLW\ WR EH FKDQJH OHDGHUV LQ FRQIURQWLQJ 5,6'¶V FRQQHFWLRQV WR VODYHU\ DQG %ODFN RSSUHVVLRQ $Q LQDGHTXDWH ODFN RI DFNQRZOHGJHPHQW RI WKHVH URRWV RQ DQ LQGLYLGXDO DQG GHSDUWPHQWDO OHYHO KDV HVWDEOLVKHG D FXUUHQW HQYLURQPHQW RI DQWL %ODFNQHVV DQG LV LQ HIIHFW DQ DFW RI DJJUHVVLRQ

7KH SUHPLVH RI WKLV GRFXPHQW LV WR EULQJ LQWR IXOO OLJKW WKH   
FRQYHUVDWLRQ WKDW KDV DOUHDG\ EHHQ KDSSHQLQJ ZLWKLQ WKH 'HSDUWPHQW DPRQJVW WKH %ODFN VWXGHQWV DQG DOXPQL DQG WR KHOS HPSRZHU WKHLU SHUVSHFWLYHV 2XU UROH DV DXWKRUV LV WR IDFLOLWDWH WKH FRQYHUVDWLRQ XOWLPDWHO\ WKH ZRUN IDOOV VTXDUHO\ XSRQ XV WKH 5,6' VWDII DQG IDFXOW\ WR GR PRUH

:H EHOLHYH WKDW VXJJHVWHG DWWHQGDQFH DW 5,6'¶V &HQWHU IRU 6RFLDO (TXLW\ DQG ,QFOXVLRQ ZRUNVKRSV DUH LQ QR ZD\ VXIILFLHQW WR DIIHFW   
VXVWDLQHG DQG FRPSUHKHQVLYH FKDQJH ZLWKLQ WKH 'HSDUWPHQW DQG DPRQJVW WKH LQGLYLGXDO IDFXOW\ 6\VWHPLF FKDQJH UHTXLUHV D ZLOOLQJQHVV WR SDUWLFLSDWH DV DQ LQWHUFRQQHFWHG JURXS WR FRPPLW WR GHOLYHULQJ WKH HGXFDWLRQ DQG HQYLURQPHQW WKDW DOO VWXGHQWV GHVHUYH DQG WKDW FXUUHQWO\ RQO\ VRPH VWXGHQWV UHFHLYH 7KHUH LV D GHPDQG IRU FKDQJH DQG DFFRXQWDELOLW\ IURP FXUUHQW DQG IRUPHU VWXGHQWV WKDW PXVW EH DGGUHVVHG LPPHGLDWHO\

5,6' LV LQ D SUHFDULRXV DQG IUDJLOH SODFH EHFDXVH RI &29,' DQG WKH   
GHSDUWPHQW LV GD\ E\ GD\ WU\LQJ WR ILQG IRRWLQJ XQGHU GLIILFXOW   
FLUFXPVWDQFHV 7KLV LV XQGHUVWRRG 7KDW VDLG WKH SDQGHPLF KDV WUXO\ ODLG EDUH WKH UHDOLW\ RI UDFLVP DQG LQHTXLW\ IRU %ODFN SHRSOH 7KH 7H[WLOHV 'HSDUWPHQW QHHGV WR SULRULWL]H WKLV FRPPLWPHQW WR FKDQJH WR IRFXV VROHO\ RQ RQH DUHD RI YXOQHUDELOLW\ EURXJKW RQ E\ WKH SDQGHPLF LV QRW HQRXJK

7KLV GRFXPHQW JDWKHUV UHFHQW FRPPHQWV IURP VRFLDO PHGLD DQG SULYDWH PHVVDJHV DQG KDV EHHQ YHWWHG E\ WKHVH VDPH VWXGHQWV DQG DOXPQL WKLV GRFXPHQW ZLVKHV WR XSKROG D WUDQVSDUHQF\ WKDW KHOSV IRVWHU WKH QHFHVVDU\ JURZWK WUXWK WHOOLQJ DQG ZRUN WKDW VWLOO QHHGV WR EH GRQH

7KH WLPH DQG HQHUJ\ VWXGHQWV KDYH VSHQW WKLV ZHHN HQJDJLQJ LQ GLDORJXH ZLWK IDFXOW\ FDQ QRW EH VTXDQGHUHG 7KH 'HSDUWPHQW LV HIIHFWLYHO\ SDUHQWLI\LQJ WKHVH VWXGHQWV E\ LJQRULQJ LQGLYLGXDO DQG V\VWHPLF LVVXHV RQ D GHSDUWPHQWDO OHYHO DQG SODFLQJ WKH RQXV RQ WKH VWXGHQWV WR VSHDN XS 6WDII DQG IDFXOW\ DUH QRW IXOILOOLQJ RXU REOLJDWLRQ DV   
HGXFDWRUV E\ DVNLQJ WKH VWXGHQWV WR HGXFDWH XV DERXW %ODFN FXOWXUH DQG GHVLJQ DQG WKHQ FRPSRXQGLQJ WKLV IDLOLQJ E\ QRW EHLQJ DEOH WR FULWLTXH WKHLU ZRUN HIIHFWLYHO\ ,W KDV EHHQ VWDWHG PXOWLSOH WLPHV WKDW FRQVWUXFWLYH DQG KRQHVW IHHGEDFN LQ HYDOXDWLRQV KDV QRW EHHQ DGGUHVVHG LQ D PDQQHU WKDW FRXOG¶YH SUHYHQWHG VXFFHVVLYH VWXGHQWV IURP VKRXOGHULQJ WKHVH EXUGHQV :H KDYH SHUSHWXDWHG DQ HQYLURQPHQW ZKHUH VWXGHQWV GR QRW IHHO WKH\ FDQ VSHDN XS HIIHFWLYHO\ RU VDIHO\ :H KDYH QRW SURSHUO\ SURWHFWHG WKH VWXGHQWV IURP RYHUW RU FRYHUW DQWL EODFN UDFLVP IURP WKHLU SHHUV RU IDFXOW\   
:H GHPDQG DQWL RSSUHVVLRQ WUDLQLQJ IRU WKH HQWLUH GHSDUWPHQW ZLWK IXOO PDQGDWRU\ SDUWLFLSDWLRQ 6HFRQGO\ WKH IDFXOW\ HYDOXDWLRQ   
SURFHVV QHHGV WR FKDQJH )ROORZ XS SURFHGXUHV QHHG WR EH UHYLVHG LQ RUGHU WR GHPRQVWUDWH WR RWKHU VWXGHQWV WKDW YRLFHV DUH EHLQJ KHDUG DQG WKHVH LVVXHV DUH EHLQJ GHDOW ZLWK LQ D ZD\ WKDW SUHYHQWV DOO VWXGHQWV IURP EHLQJ GLVPLVVHG RU IXUWKHU KDUPHG

7KH IROORZLQJ OLVW ZDV FRPSLOHG DQG HGLWHG   
ZLWK DSSURYDO IURP 5,6' 7H[WLOHV VWXGHQW DQG DOXPQL FRPPHQWDU\ DQG SULYDWH PHVVDJHV IROORZLQJ WKH 5,6' 7(;7,/(6 ,QVWDJUDP DFFRXQW SRVW

7KH ,QVWDJUDP SRVW ZDV ZULWWHQ E\ \*LQD DQG SRVWHG DIWHU FRQVXOWDWLRQ ZLWK $QDLV

Ɣ 7KHUH LV QRW D GHSDUWPHQWDO FXOWXUH RI VROLGDULW\ UHJDUGLQJ LVVXHV RI DQWL %ODFNQHVV DQG UDFLVP   
Ɣ 7KHUH LV D FXOWXUH RI ERWK VXEWOH DQG RYHUW DQWL %ODFNQHVV WKDW QRQ %ODFN VWXGHQWV DQG IDFXOW\ GRQW UHDOO\ GR PXFK WR FRPEDW ,I DQ\WKLQJ LWV UHLQIRUFHG DV %ODFN VWXGHQWV IHDU   
 UHWDOLDWLRQ DV D FRQVHTXHQFH RI WKH ZKLWH IUDJLOLW\ RI   
 LQGLYLGXDO IDFXOW\ IRU VSHDNLQJ RXW DERXW WKLV   
Ɣ 7KHUH LV DQ LQWHQVH HUDVXUH RI %ODFN DQG ,QGLJHRXV 7H[WLOH   
WUDGLWLRQV   
Ɣ &XUULFXOD LV SULPDULO\ IRXQGHG RQ (XURSHDQ 7H[WLOH WUDGLWLRQV DQG RFFDVLRQDOO\ VRPH (DVW $VLDQ DQG ,QGLDQ WUDGLWLRQV   
Ɣ $ FRXUVH LQ WKH +LVWRU\ RI 7H[WLOHV LV QRW UHTXLUHG   
Ɣ 7KHUH KDV QHYHU EHHQ DQ\ KLVWRULFDO DQDO\VLV RU HYHQ DQ\ PHQWLRQ RI WKH UROH WKDW WKH 5KRGH ,VODQG 7H[WLOH LQGXVWU\ SOD\HG LQ

WKH $WODQWLF VODYH WUDGH LQ DQ\ RI P\ FODVVHV LQFOXGLQJ RQHV WDNHQ RQ WKH +LVWRU\ RI 7H[WLOHV   
Ɣ 7KHUH DUH QRW   
QRU KDYH WKHUH EHHQ LQ NQRZQ KLVWRU\ DQ\ %ODFN IDFXOW\ Ɣ 7KH   
GHSDUWPHQW FRQVLVWV DOPRVW H[FOXVLYHO\ RI ZKLWH RU ZKLWH SDVVLQJ IDFXOW\ PHPEHUV Ɣ 6WXGHQWV DUH QRW SURGXFWLYHO\ LQFOXGHG LQ WKH YHWWLQJ RI SRWHQWLDO KLUHV Ɣ 5HJDUGLQJ IDFXOW\ FXUULFXOXP DQG KHDOWK   
 ż ³,PDJLQH WKLV ZDV KDSSHQLQJ ZKHQ WKHUH ZDVQ¶W D SDQGHPLF %ODFN VWXGHQWV ZRXOG EH H[SHFWHG WR ODERU ZKLOH FDUU\LQJ WKH EXUGHQ RI VWDWH VDQFWLRQHG YLROHQFH XSRQ RXU ERGLHV ZHDYLQJ DQG NQLWWLQJ LQWR GDZQ ´   
 ż ³7KH FXOWXUH RI WKH ODERU LV DOVR DQWL %ODFN 7R WKHQ EH IHG DUWLVWV DQG UHIHUHQFHV XSKROGLQJ WKH LYRU\ WRZHU VLWV XSRQ ´   
 ż ³6RPH VWXGHQWV ZRUN MXVW WR KDYH PRQH\ IRU VFKRRO ZKLOH RWKHUV PD\ VLPSO\ GHYRWH WKHPVHOYHV WR WKHLU ZRUN ´   
Ɣ 7KHUH LV D ORZ HQUROOPHQW RI %ODFN VWXGHQWV LQ WKH 'HSDUWPHQW Ɣ 7KHUH LV DQ H[SHULHQFH RI EHLQJ WKH RQO\ RU RI %,32& LQ DOO WKHLU FODVVHV DQG IHHOLQJ D OD\HU RI GLVFRPIRUW LQ QRW EHLQJ XVHG WR DWWHQGLQJ ZKLWH FODVVHV DQG FULWV IRU \HDUV   
Ɣ 7KH 'HSDUWPHQW GRHV QRW WDNH VWXGHQW FRQFHUQV VHULRXVO\ DERXW IDFXOW\ ZKR FRQVLVWHQWO\ VKRZ WKHLU UDFLVW DQG PLFUR DJJUHVVLYH EHKDYLRU 7KH FRPPHQWDU\ RXWOLQLQJ WKLV LQ VWXGHQW HYDOXDWLRQV LV QRW WDNHQ VHULRXVO\ DQG DFWHG XSRQ   
Ɣ 3URIHVVRUV LQ WKH 7H[WLOHV 'HSDUWPHQW GR QRW KDYH WKH FULWLFDO FDSDFLW\ WR HQJDJH ZLWK RU DGYLVH %ODFN VWXGHQWV DURXQG WKHLU ZRUN 7KLV RIWHQ UHVXOWV LQ FULWLTXHV LQ ZKLFK QHLWKHU VWXGHQWV RU SURIHVVRUV DUH SUHSDUHG WR JLYH FULWLFDO IHHGEDFN RU WKH\ JLYH ERULQJ DGYLFH DURXQG KRZ WR PDNH \RXU ZRUN PRUH DFFHVVLEOH WR D ZKLWH DXGLHQFH   
Ɣ 6WXGHQW ZRUN KDV EHHQ UHIHUUHG WR DV µSULPLWLYH¶ RQ PXOWLSOH RFFDVLRQV :KHQ DOHUWHG WKH 'HSDUWPHQW KDV QRW DFNQRZOHGJHG RU DFWHG XSRQ WKLV HIIHFWLYHO\   
Ɣ 6WXGHQWV DUH SURPSWHG WR SDUWLFLSDWH LQ µVRFLDO LVVXH¶ EDVHG DVVLJQPHQWV UHVXOWLQJ LQ VWXGHQWV SHUIRUPLQJ HPRWLRQDO DQG XQSDLG ODERU WHDFKLQJ PDQ\ SURIHVVRUV DERXW %ODFN ,QGLJHQRXV DQG /DWLQ[ WH[WLOH KLVWRULHV DQG FRQWHPSRUDU\ DUWLVWV 7KLV ZLWKRXW WKH SURIHVVRUV GRLQJ WKH ZRUN WR UHVHDUFK DQG   
 XQGHUVWDQG WKH FRQWH[W RU KLVWRU\ LQ RUGHU WR HIIHFWLYHO\ UHVSRQG WR WKH VWXGHQWV¶ ZRUN 7KH VWXGHQW LV WKHQ IRUFHG WR UHOLYH WUDXPD DQG HQGXUH FULWLTXH WKDW VD\V WKDW ³WKHLU ZRUN GRHVQ¶W GLVSOD\ WKHLU WUDXPD ZHOO HQRXJK ´   
Ɣ 7KH 7H[WLOHV 'HSDUWPHQW GRHV QRW IDFLOLWDWH WKH QHFHVVDU\

FRQYHUVDWLRQV ZLWK $IUR 'LDVSRULF ZRUN DQG LQYDOLGDWHV LW FRQVWDQWO\   
Ɣ 0DQ\ QRQ ZKLWH DOXPQL DQG VWXGHQWV DUH QRW FRPIRUWDEOH   
 VSHDNLQJ XS RU MXVW JDYH XS WU\LQJ   
Ɣ ³:KHQ , ZDV D VWXGHQW , RQO\ KHDUG DERXW WKH EXVLQHVV GHVLJQ   
 LQGXVWU\ VLGH RI WH[WLOHV µ7KHUH DUH VR PDQ\ DQWLFDSLWDOLVW EHDXWLIXO DVSHFWV RI WH[WLOHV DQG VSLULWXDO SUDFWLFHV ZLWK WH[WLOHV ,Q ULWXDO DQG LWV KLVWRU\ ,Q OLIH DQG DIWHUOLIH :H DUH FRQQHFWHG LQ SDVVLQJ WKURXJK WKRVH KDOOV , ORYH EHLQJ DQ DOXPQL LQ SDUW %XW WKRVH KDOOV DUH ILOOHG ZLWK FRORQLDO JKRVWV WRR WKDW DUH YHU\ KHDY\ IRU VRPH WRR ´µ

\*LQD \*UHJRULR   
6HQLRU &ULWLF   
5,6' 7H[WLOHV

-LP 'UDLQ   
&ULWLF   
5,6' 7H[WLOHV