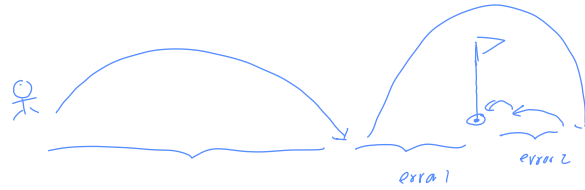


Data 1:

$x_1$	$x_2$	$y$	$\hat{y}_1$	Error 1 = $\epsilon_1$ $y - \hat{y}_1$
30	10	100K	20K	80K
50	25	250K	500K	-250K
16	3	120K	10K	110K

original data      Model 1 predictors



Data 1:

$x_1$	$x_2$	$\epsilon_1$	$\hat{\epsilon}_1$	$\epsilon_1 - \hat{\epsilon}_1$
30	10	80	70	10
50	25	-250	-100	-150
16	3	110	150	-40

target variable       $\epsilon_2$

Training data for Model 2

Data 3:

$x_1$	$x_2$	$\epsilon_2$	$\hat{\epsilon}_2$	Final Predictions	$y$
30	10	10	11	101K	100
50	25	-150	-140	260K	250
16	3	-40	-40	170K	120

$\hat{y}_1 + \hat{\epsilon}_1 + \hat{\epsilon}_2$       true value

Training data of Model 3

Final Predictions of 3 models = Prediction of Model 1 + Prediction of Model 2  
+ Prediction of Model 3.