

You don't know it yet, but Chris Carey and Sharesleuth broke new ground that will result in a "business journalists employment act".

Hedge Funds, Private investors, Mutual Funds employ analysts by the boatload. They get paid quite nicely. Those analysts spend their waking and probably a good portion of their dreaming moments trying to figure out ways to get an edge that can improve their returns.

They hire or put on contract, experts, consultants, investigators, anyone who can help them outperform their peers.

If Sharesleuth is successful, you can bet that any of the above with billions of dollars at stake will gladly hire the best and brightest business journalists they can find. Bigger the rolodex, the better. Old is the new young. Crusty is the new Yuppy. They will unleash those journalists to uncover stories that can give them an edge.

The process will be amazingly similar to what is happening with Sharesleuth. The journalist will have more time and probably resources to go out and dig up the really good stuff than they did when they worked in traditional media. They will get to use all the investigative training and contacts they have acquired and accumulated over the years. Whatever skills they think they have, they will be given the enjoyable task of putting them to work. They will be given as many words, paragraphs or pages as it takes to convey the facts of their investigation.

Rather than turning in the story to an editor, it will go to an analyst, fund manager or investor.

That person, based on that information, might possibly make a trading or investing decision that could make or lose millions upon millions of dollars.

After making those trading decisions, that manager, who now owns the story, will make the decision whether to release that story to media outlets, knowing, that based on the contents of the story you wrote for him, it could and probably will, influence the price of the stock of the company(s) involved. The factor of impact on the price will certainly impact how aggressively he asks you to convey the story to your former peers to publish or distribute further.

The media outlets that think the story you wrote might have interest to their readers in turn, will assign the person who took your place to investigate it and write a story. Completely independent of course. But your former employer and peers know how thorough you are. Yes they will reconfirm your work, but it's still an extension of the work you did for hire. Except now the lead for the story came from a source that all involved knows has an interest in moving the price of the stock of the company involved and the headline is written by some guy in the newsroom that has no idea about any of the above.

What are the disclosure obligations of the media outlet, if any?

Of course the fund manager/analyst who owns your amazing work, will also gladly distribute the content to the sell side analysts that cover the stock, with the specific goal of impacting the price of the stock.

This already happens every day. All day, every day. The only difference is that the people creating and publishing the information aren't "business journalists".

If you take this investigative work for hire job, are you still a journalist? Are you a corporate investigator? Are you a financial analyst with a background in business journalism? Or are you a hack that sold out for the money.

Let's add another element to the discussion. If the story you wrote is published on an open website called "Our-research.com", does that change anything? Does it matter if it's published before or after the person who hired you to do the work trades on that information?

Should "our-research.com" have to register itself as a particular type of entity? Should there be a disclosure paragraph at the bottom of every website that in addition to a privacy statement, offers a "Reader Responsibility" Statement?

Should every website have to "declare itself"?

Personally, I think the idea that we add a Reader Responsibility Statement to the bottom of Sharesleuth.com is a good one that I'm considering.

From the top of my head:

"Sharesleuth.com publishes business stories about companies that we have researched solely for the purpose of improving our ability to profitably trade or invest on the information we uncover. We publish this information after we have traded in the stock, not prior, not simultaneously. Our obligation is not to the reader, it is to the trading activities of our owners. Readers should not use this as the foundation for their own investment or trading strategies. Readers should not presume that the information published on this site will or will not impact the perception or valuations of the companies profiled or referenced. Sharesleuth.com is publishing this information simply because we want to. This site is funded completely by the results of our financial activities. Sharesleuth.com retains the right to investigate any person or company, trade or invest on that information, and not publish that information"

What do you think?

But let's get back to the "full employment act"

Information is power. Those who do the best job of uncovering information have the opportunity to be hired by those who stand to make or lose the most with, or from the lack of access to that information.

It will be interesting to see what happens to the world of business journalism. Will it be like 1999 when every sportswriter had to make the decision to take the inevitable riches that stock options in BroadbandSports.com, Sportsline.com and others would bring? Or will today's business journalists stick to their beat working for the "security" of the newspaper /big media business.

Or maybe I'm completely wrong, and no one will want to hire journalists who know how to dig and find information that can make them more money

Regardless, the discussion is interesting