

Ok, they didnt quite ask that question. Directly. But they sure raised the question indirectly. As have the CEOs of [Overstock](#) and [Bioval](#)

Both have sued a research company for writing reports that they say were not independent or objective. They were influenced, if not possibly written completely by hedge funds looking to profit from their short positions once the negative research reports were published

I dont know if the research company was influenced or not. I dont know if the law was broken or not. According to the 60 Minutes report, research reports are influenced all the time. Which is of course true. The key question is whether knowingly false information was supplied to influence the content of the report. Im sure the courts and authorities will determine what happened to the best of their abilities.

To me however, thats not the big issue.

Here we have the CEOs of two companies saying that one small research compay out of Arizona can have more influence on the actions of current and potential shareholders than not only every other research company combined, including those who have been following the company for an extended period of time, but also more influence than the CEOs themselves. Of course these CEOs must also believe that what is reported by this company is more important than the results of operationsof the company.

Is a single research pen mightier than the P&L, Balance Sheet and Statement of Cash Flows ? that is the question you must ask yourself.

If you think the answer is yes, and you are an investor, you probably dont know enough about the companies you own stock in to stay in the market.

If you think the answer is yes, and you are a trader, hopefully you have gotten to the point of knowing you are just winging it anyway, and you win some and lose some.

If you are the CEO of a public company and you think the answer is yes. Please email me with the stock symbol of your company. I want to short it.

Any good CEO knows:

Sticks and Stones my hit my stock price, but a great operating company will make the shorts cover and push the stock price higher.

Any bad CEO knows:

If i can create a diversion, I know I can convince at least a few funds to hold on, and that gives me a chance to sell more stock.

If none of this makes sense, make sure none of your money is in the market