

[Sharesleuth.com](http://Sharesleuth.com) . Such a big controversy. The question is why ?

A while back we told everyone exactly [what we were going to do with Sharesleuth.com](#) . [We told everyone that i was going to trade on the information before we published the story. There was much commentary.](#)

Was it good journalism ? Was it responsible journalism ?

[<just for fun, this is a link to the definition of journalism>](#) Then everyone wanted to know if what we were going to do was legal.

[Was it against SEC regulations. Was it ethical ?](#)

Everyone wants to question what we are doing. Great. Question away.

What the people who are doing the most questioning, the traditional members, and the traditional bloggers, are missing, is the hypocrisy in their criticism.

One former BusinessWeek reporter suggests in his blog what I am doing with Sharesleuth is not responsible journalism because I am trying to make a profit by trading on the information that we uncover. All the while, he promotes his site to draw readers, possibly chooses blog posts that will generate the most readership and promotes his TV appearances as a means to pimp his books, which are for sale with HUGE graphics on every page of his blog.

There is absolutely nothing wrong with that. Nothing at all. The news, his news has to get paid for somehow , right ? But is he a responsible journalist ? Is he a responsible publisher ? Do we even know ?

**Doesnt the foundation of responsible journalism come from transparency ?**

Tell us what the goals of your publication are so we can understand your motivation and use it as a filter when we read your blog. your newspaper. Watch your network.

Of course if he did that, he would be alone in the publishing universe. Every media outlet has an agenda. Given that almost all are public entities, the primary agenda is Earnings Per Share. When was the last time you read the New York Times say they were going to proactively choose to lower their earnings this quarter and for the next several quarters so they can invest in doing a better job of reporting ? Or that they planned on expanding the number of pages dedicated to their journalistic endeavors at the expense of shareholder return ? Anyone ?

Of course the NY Times is not alone. Every major media company, newspaper or otherwise seems to do every bit of financial engineering they possibly can to increase earnings per share and stock price. Use cash to buy back stock. Save cash by firing reporters and closing bureaus.

I haven't heard a lot about increased investment in journalistic efforts at the expense of EPS. Has anyone ?

When CBS hired Katie Couric, the story wasn't whether she would improve the network news. It was how much she was getting paid and could she increase ratings. Les Moonves wasn't excited to talk about the new levels of newsgathering CBS could reach with Ms Couric. He seemed to be incredibly proud that they covered her salary with advertising sales in the upfront. EPS baby.

If the NY Times was truly a responsible publication, wouldn't it change its motto on the front page from "All the News That's Fit to Print" to something else ? Doesn't that motto suggest they would invest in the newsprint and newsgathering resources required to get any and all news they deemed fit to print ? Maybe it could "All the News That we can Afford to Print"

Shouldn't a truly responsible and transparent publication offer a series of footnotes or a syllabus online defining why they chose to cover a given story ?

How much better would we all feel if we read:

"this democratic candidate was falling behind. Our publisher felt his side of the story needed some visibility"

"we like this guy, we wanted to trash the other guy"

"we think this story will be very popular with Hispanics 18 to 24, which is a demographic we are trying to reach because we think we can grow our advertising to that market by 20pct or more this quarter"

"Bottomline, we just want to try to get as many readers as we can. So we pick and choose articles that we think we increase our circulation numbers. Sometimes we do have to choose between what we think are the more important news stories and numbers. I wish i could tell you which story was which, but if i did, they would fire my ass"

"that story had a great headline that we could put on the front of the business section, so we went with it"

Now thats transparency and responsible journalism.

Its all about the money. The difference at the responsibility level between those major media companies and sharesleuth.com ? We are transparent. You know exactly how we are paying for the stories and we make no apologies for it.

In our story on Xethanol, you didnt see any of the typical "at X times sales it has a market cap of Y, while this other company we want to compare it to trades at some lower multiple of sales and at lower market cap," suggesting that the stock is expensive. Thats suggestive and leading and we are going to do our very best to avoid all valuation comparisons, which IMHO is always laughable filler. Nor did you see any "this expert says this stock is expensive too ! ". Thats what you typically find in your every day business article about a company, particularly negative articles. Again laughable stuff, the type of fodder you find on CNBC..."I like this stock because " "I dont like this stock because " Its all filler.

Look at cable news. There are no longer any arguments about who delivers the most depth of coverage on any given topic. The only discussions are about who gets bigger ratings and why. There is more value in a dead blonde and a hurricane than finding original news or a story with impact.

It is what it is, and Im fine with that. They may not be transparent in writing, but they are so obvious in their pandering for ratings, you cant question it.

Sharesleuth.com is what it is. Its paid for by my trading based on the information we uncover. I might make money. I might lose money. Thats the risk i take.

If there is a real question that could be asked about sharesleuth, its "why would someone read it ?" And the answer is, if you happened to be interested in the company(s) we write about, hopefully you will learn facts about that company that you didnt know before.

And for those of who think i might have had this stock in my portfolio first, and went after it with sharesleuth after the fact. This email from chris (its not the entire email, but it makes the point) was received on May 8th 2006 at 11:03am

"Hi Mark,

I thought I'd call your attention to a company that might be featured in the debut installment of Sharesleuth.com – if the situation doesn't blow up before then.

The company is called Xethanol Corp. (OTCBB:XTHN), which went public in early 2005 through a reverse merger with the shell of a failed pottery-equipment company.

Xethanol operates two tiny ethanol plants in Iowa, accounting for less than 1 percent of U.S. capacity. The company has only modest revenue (\$4.34 million in 2005) and is deeply in the red (a loss of \$11.7 million last year).

Even so, Xethanol's shares have more than tripled over the past four months, partly because of interest in alternative fuels and partly because of a relentless public-relations campaign. The stock closed Friday at \$11.76 and up \$1.40 this morning, giving the company a market cap of more than \$210 million.

Volume has been averaging topping 1 million shares a day recently so you might be able to find some shares if you want to bet against this outfit."

Unfortunately, it was playoffs time , things were hectic and I didnt see it till May 10th

On May 10th at 3:15pm, i sent this email to my broker

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See if we can borrow and short