
7KH 6DQFWLRQV %RDUG FRQYHQHG LRQI \$BKQDOS OXDIS KDW
&KDLU \$OHMDQGUR (VREDU DQWKLDUFDVHFLIHILQWOKLHOE XWUK
QRU WKH :RUOG %DQNL 9URIXS1UHVQVTHQWVH, G7D KUHHUDULQJ LQ
1RU GLG WKH &KDGLUV 6WGRQLQOOLRQFRHUCQHOOJQH DWKHDQ
GHOLEHUDWHG DQG UHDFKHG LWG GHFLVLRQ EDVHG RQ WK

, Q DFFRUGDQFH ZLWK 6HFWLRQ , , 6DQFWXERSQDUBUDBBSGX
ZULWWHQ UHFRUG%FRDUU 6WGRQFRHUCQHOOJQH QHGRZLQJ

L 1RWLFH RI 6DQFWLRQV 3URFHHGLQJVHQVVRQGDQGV
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31RWLFH' DSSHQGLQJ WKH 6WDWHPWQMV 36\$(\$FFXV
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DQG LPSOHPHQWHGUIDQ\HARHPFSVOLYDQFEDQSHRUJUDFLVQI

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% (Y L G H Q F H R I) U D X G X O H Q W 3 U D F W L F H V

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W K H 5 H V S R Q G H Q W L H Q J D J H G L Q D P Q V U D H F S M U H R U H G R V A D W M L R C
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5 H V S R Q G H Q W V V W D I I Z H U H L Q Y R O Y H C V L Q Q H P S D D G H D W W L K R H Q
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7 K D W N Q R Z L Q J O \ R G I U R H U F D Q H W H M P O S W H D Q U O H R P L V O I

, 17 D O O H J H V W K D W W K H 5 H V S R Q G H N Q Q W H D V F O W H I G Q N P Q D R N Z L Q Q
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VDQFWLRIHQ FKRLFH RI VDQFWLRQ LV QRWUDWPHFHUDDQ EDWHFE
DQDOVVLV WDLORUBIGWWRDWQG HFVSGMFRVWLDQQHBIKS EBIWII

7KH 6DQFWLRQV %WRD BQLWLGHIOXMAHWBWWSHRVVRK ILDFWIRIW
VXE SDUDJUDSK RQRVI 3AUKRHF H6QDXQFHAWL DZKQLRFQK HSQBLXVWHLYH
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*XLGHOLQHV WKHPVHOYHV VWDWHWFKUDLWSWALKHHIDQWQDQMRXUH
JXLGDQFH DV WR WKLBDWLRQV SRRWFRQWQ/OCQFWHQDQHAWW
6DQFWLRQLQJ *XLGHOLQHV IXUWQQUHWXBJHLVQFLSHRDWHHQ/WRLUD
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:KHUH WKH 6DQFWLRQV %RDUG LPSWRVHDA IDQADRQFSVXURVQX
6HFWLRQ,,, \$ VXE SDUDJUDSK VELPSIRWIKHD 6DQRWSWBRQW
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6HFWLRQ,,, \$ VXE SDWWRQHQ SRWFRQWGLXDFOLBQWLQISDVWVJFIDVYHDW
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DJJUDYDWLRQ

Repeated pattern of conduct: 6HFWLRQ, 9 \$ QLQWKHXIGQHQWIRV LGH
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%RDUG KDV DSSOLQHGH DJWIKDVEWQWUZHODUMHHSGLWFRQGQFWL
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PLVFRQGXWFWKH SUHVHQVRFWDWQHQFRQWHDQHDVUHQDQWDRM
SHUSHWUDWHG UHTXLUHPHQWV 7KH PLVUHSEULQVBIQWQDQMRWQVLPZHQU

W K U R X J K Q R X W K H V H F L U F X P V W D Q F H V W K H R 6 D U Q H T O W H R V Q V D % U R H D S U
S D W W H U Q R I Q I G J D F X W S X W O K H D Q W F F H R U L W R / Q V X E V W D Q W L D O D J J U D Y D

Management's role 6HFWLRQ , 9 \$ RQJWKHGHDQQLFQWHLVR QDWDWWRI W
PD\ DSSO\ ^>L@I DQ LQGLYLGXDO ZLWKUHQKJDW LORHQY HSODUSMHL
FRQGRQHG RU ZDV ZLOOIXOO\ LJQRFDQWQVR I%VR DQHGPWKDFVR C
DJJUDYDWLRQ ZKHUH WKH UHFRUG WSKRQZGIGQWKBDQWLHNQFR UP
SHUVRQDOO\ SDUWLFLSDW\ HGDQFWLKRIQV\%FRRDQJGXQWRWHV L W
PLVFRQGXFW LQYROYHG PXOWLSOHQGWQW\ PVHPEQIDYHULQ&QX
'LUHFWRU 7KH 6DQFWLRQV %RDUG IDQWV DWJKUDWHDWFLRQX
5HVSRQGHQW

E & R R S H U D W L R Q

6HFWLRQ,,,,\$VXE SDUDJUDSK V HS URRYI WGHVV 6IDRQF V\ILVR
ZKHUH D UHVS RQG HMQKMH³ EQRISHW D JRDWGR R QW KRHU FUDHMHR O X6WEWL
WKH 6DQFWLRQLQJ *XLGHOLQHV S B B V L Q W\HDWURKUDI V\ZVPLWV W\Q D T
LQYHVWLJDWLRQ RRUQRQJ R @OQJH F R RRSQWUDWMLR QJ HASKUDHW HW K H U H
SURYLGHG VXEVWDQWLDO DVVLVFRD Q\H W B\Q HZVHO O> D Q G @ KUHH
LQIRUPDWLRQ RU WHVWLPRQ\ W\KHI QDQGXW K HD W\G PHH[OMLHQHW VR
7KH 6DQFWLRQV %RDUG KDV SUHYLVR IXDFOW RJLU D Q W\HIG DP LUWHLVSD
ZLWK ,17 RQ VHYHUD\YR\GHDGV URIQW YDQGW SELRQF R P\HRQWUDHRSDORLQH G
WR ,17\ V VKRZ FDXVH OHWW\ K HD QDQIFR\OLRQZV X%R\LDQUTGX KUDLVH G
ZKHUH UHVS RQG HQWV\ VWDWHPHQWDO VLQF, R Q V\UHDYV\ODC\H RV
VKRZ WKH W\SH RI FDQGRU D Q G F R RVS\HRLQD\W LRRQK B V ZZR\ K OOD
FUHGLELOLW\ D QGW ZH\LUHKL\QF\H\QVRLX\W B V V H U W L R Q V

, Q W K H S U H V H Q W F D V H W

R I D Q \ % D Q N) L Q D Q F H G 3 U R M H F W \ P L Q U R X \ P G S H H G U L R B Z R H Y I H Q H O V
V L [\ H D U V E H J L Q Q L Q J I U R P W K H \$ R Q Q D G / H Q V R I P W K L E V H G U H F Q L W D
L Q H O L J L E L O L W \ R Q O \ L I L W K D V V I X \ E D S D F U R D U G D Q R H Z L W K W K H
3 U R F H G X U H V D G R S W H G D Q G L P S O H Q F I Q W P H H G V H X I W H H F / W L Q H D L I
V D W L V I D F W R U \ W R W K H : R U O G % D R Q W W U R R A X S Q L L Q R O X D G Q Q J G R Q
S D U W L F L S D W L R Q S W R Q F W M Q K G V H U L Q R O D W S H R Q G Z H K Q W H L W D H E L G G H U
D E L G G L Q J J U R X S U D Q F B J S H I Q R W Y L R Q W D V V L K P L S V R V D Q F R A Q L R V Q K H 5 H V S
I U D X G X O H Q W S U D E V Q L B B V D D V D S K I L Q H D Q X D U \ R I W K 3 H U R F X U H

μ₁, μ₂, μ₃