

IR UPDATE WEEKLY

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Perfectly Legal and Publicly Available

Various companies have taken their turn in the barrel over data breaches and user privacy issues. It highlights just how much data are out there and reveals just how much gold can be mined with the right data. While nefarious and criminal uses of data should not be countenanced, there are good, fair, and legal data for the having if you know where to look. Bloomberg's Matt Levine recently revealed a veritable treasure trove of data that might be of interest to IR practitioners.

In his [column](#) of March 23, Levine shared a new [study](#) by Rice University researchers Alan Crane, Kevin Crotty, and Tarik Umar entitled "Do Hedge Funds Profit From Public Information?" that reveals that anyone might be able to identify those who looked at a company's SEC filings on the EDGAR system. Levine says:

You can go find out which hedge funds accessed which documents on Edgar! I mean, that seems wild to me, but the authors' literature summary mentions several other papers that use the same technique. In each case researchers use public records to figure out which hedge funds own which IP addresses, and then match the IP addresses to Edgar traffic logs that the SEC makes available.

The [Edgar logs](#) are posted quarterly with a six-month lag, and you can't necessarily match up every hedge fund with an IP address, so you can't find out, say, what companies Dan Loeb or Bill Ackman are looking at today. But you can at least find out what companies some hedge funds were looking at a year ago, and what sort of research they did. It might tell you interesting things about their investing processes.

Interesting, no? Now, it isn't an exact science, as the logs only track EDGAR searches and no other sources. But it is certainly something and maybe something more than just something. Even my NIRI colleague, Ted Allen, our resident expert on all things SEC, wasn't familiar with this perfectly legal and publicly available feature of EDGAR. [TheCorporateCounsel.net blog](#), where Ted found this gem, deserves a tip of the hat, along with Bloomberg's Levine and the Rice University researchers. If you were or might be an activist target, you might want to pass this information along to

the data crunchers.*

All the best,
Gary



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P.S.: * No, this is not a late April Fool's prank.

P.P.S.: [Sign up by April 27](#) for the June 16-23 testing window for the next IRC exam.*

(*Also not an April Fool's joke.)