



## CFA INSTITUTE

### ETHICS IN PRACTICE:

## Oh No! Accidental Facebook Post!

#### CASE STUDY

John Walsh, CFA, is the Chief Financial Officer of TrueTech Corporation, a leading semiconductor manufacturer in the United States. For the past few months, Walsh has led the TrueTech team in talks to buy a majority stake in Veridy Corporation, a smaller, privately owned semiconductor company that has a patented technology that could potentially cut the chip manufacturing costs of TrueTech by almost 40%. After intense negotiations, TrueTech is able to close the deal with Veridy late on a Friday night. Walsh wants to share the good news with his wife, so he takes out his phone and types "Finally! TrueTech has acquired a majority stake in Veridy. The deal is sealed!" But instead of sending the message to his wife, he accidentally posts it on his personal Facebook page. The next morning (a Saturday), he wakes up and discovers the blunder. Did Walsh violate any part of the CFA Institute Code of Ethics or Standards of Professional Conduct?

- A. No, this was an honest mistake.
- B. Yes, but Walsh does not need to do anything to rectify the matter because the posting was unintentional.
- C. Yes, Walsh should immediately disclose his actions to TrueTech and Veridy.
- D. Yes, Walsh should post the merger information on the company website and make a public announcement about the transaction.

