



Key Facts

Business address: **San Jose, California, United States**
 Industry: **Financial Transactions Processing, Reserve, and Clearinghouse Activities** (NAICS 522320)
 SEC filer status: **Large Accelerated Filer** as of Jun 2020
 Index member: **S&P 500, Russell 1000**
 Market Cap: **\$239b** as of Oct 22, 2020
 Annual revenue: **\$17.8b** as of Dec 31, 2019

Corporate Governance

CEO: **Daniel H. Schulman** since 2015
 CFO: **John D. Rainey** since 2015 1st level

Board Chairman: **John J. Donahoe** since 2015
 Audit Committee Chair: **David M. Moffett** 2nd level

Auditor: **PricewaterhouseCoopers LLP** since 2015
 Outside Counsel (most recent): **Robinson Bradshaw & Hinson PA
 Ellis & Winters LLP** 3rd level

SEC Reviewer: **(unknown)** 4th level

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Information in this report is effective Oct 23, 2020 and is taken from the company's public financial and regulatory filings. Latest filing 10-Q filed 07/30/2020. Over 75 accounting and data analysts scrutinize and review crucial information, footnotes, disclosures, etc., from these filings. Material facts are captured and processed using our proprietary methods which identify key risk factors our readers need to know. Each Watchdog Report represents 30 or more hours of analysis and processing.

Accounting and financial disclosure data from [Audit Analytics](#).
 Executive compensation data from [Shore Group and Intrinio](#).
 Data from [Sharadar](#).
[Data from Barchart via Quandl](#).
[Data from Exchange Data International via Quandl](#).

Oct 23, 2020 Jan 1, 2019 Jan 1, 2015

RECENT PERIOD HISTORICAL PERIOD

10-Q filed on Jul 30, 2020 for period ending Jun 2020

Reporting Irregularities

RECENT		HISTORICAL
✓	Financial Restatements	✓
✓	Revisions	✓
✓	Out of Period Adjustments	✓
✓	Late Filings	✓
✓	Impairments	!
✓	Changes in Accounting Estimates	✓
✓	Disclosure Controls	!
✓	Internal Controls	✓
!	Critical / Key Audit Matters	✓

Anomalies in the Numbers

RECENT		HISTORICAL
✓	Benford's Law	!
—	Beneish M-Score	—
✓	Accounting Disclosure Complexity	✓

Securities & Exchange Commission Concerns

RECENT		HISTORICAL
✓	SEC Oversight	✓
!	SEC Letters to Management	!
✓	Revenue Recognition	!
✓	Non-GAAP Measures	✓

Litigation & External Pressures

RECENT		HISTORICAL
!	Significant Litigation	!
✓	Class Actions	!
✓	Securities Law	!
✓	Shareholder Activism	✓
!	Cybersecurity	!

Management Review

RECENT		HISTORICAL
✓	CEO Changes	✓
✓	CFO Changes	!
!	Insider Sales	!
!	Mergers & Acquisitions	!
✓	Sales of Assets	✓

Auditor Assessment

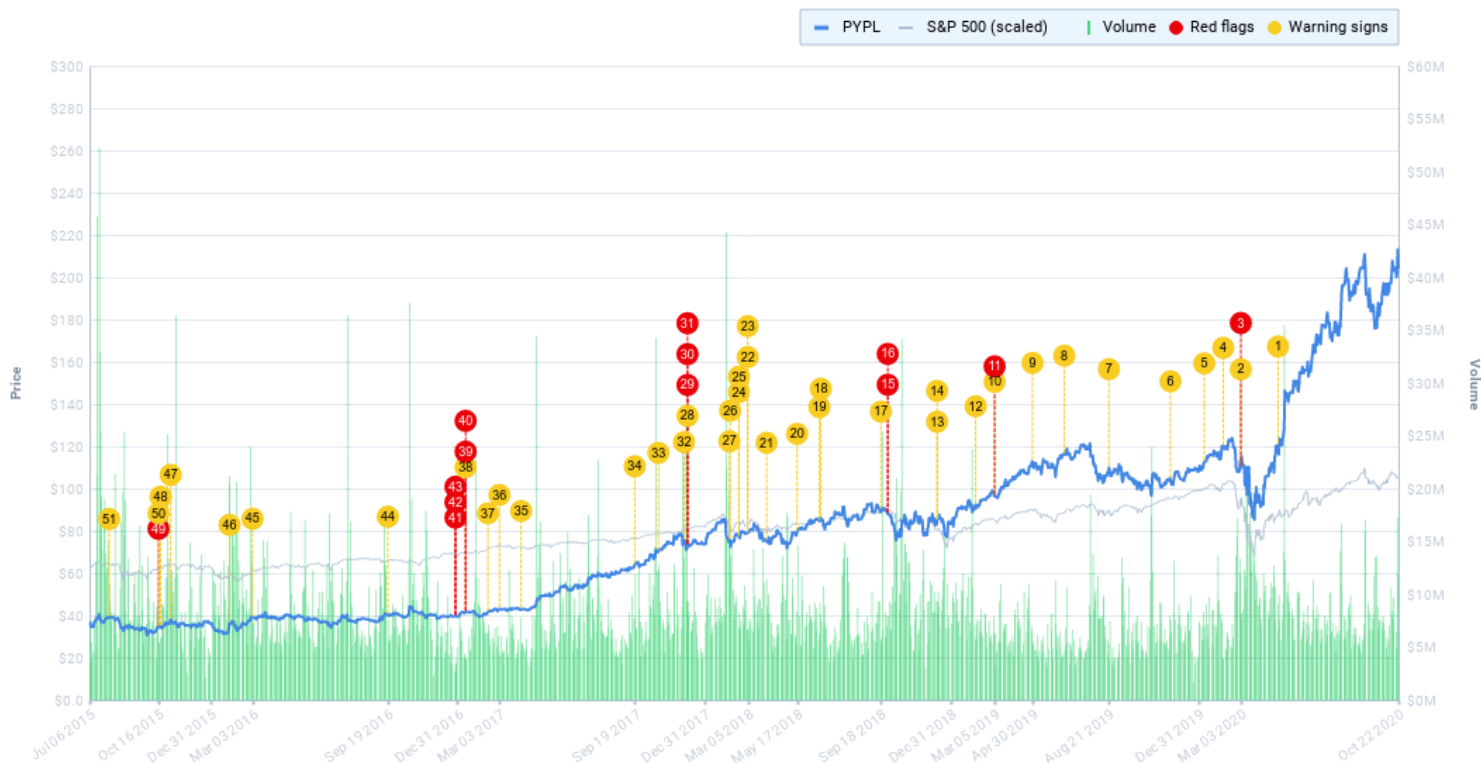
RECENT		HISTORICAL
✓	Auditor Changes	✓
✓	Auditor Experience	✓
✓	Auditor Tenure	✓
!	Audit Fees	!
✓	Non-Audit Fees	✓



Overview

Price and Volume History

This graph shows the price and trading history for Paypal Holdings. Warning signs and red flags are marked on the graph according to their disclosure dates.



- 1 Apr 27, 2020 - Lawsuit: American Video Duplicating Inc et al v. Citigroup Inc et al
- 2 Mar 3, 2020 - Insider Sale
- 3 Mar 3, 2020 - Insider Sale
- 4 Feb 6, 2020 - Critical / Key Audit Matters
- 5 Jan 9, 2020 - Cybersecurity
- 6 Nov 20, 2019 - Mergers & Acquisitions
- 7 Aug 21, 2019 - SEC letters to management
- 8 Jun 16, 2019 - Cybersecurity
- 9 Apr 30, 2019 - Insider Sale
- 10 Mar 5, 2019 - Insider Sale
- 11 Mar 5, 2019 - Insider Sale
- 12 Feb 5, 2019 - Insider Sale
- 13 Dec 10, 2018 - SEC letters to management
- 14 Dec 10, 2018 - Revenue Recognition
- 15 Sep 28, 2018 - Lawsuit: Securities and Exchange Commission v. Brian B Long
- 16 Sep 28, 2018 - Securities Law Lawsuit: Securities and Exchange Commission v. Brian B...
- 17 Sep 18, 2018 - Insider Sale
- 18 Jun 21, 2018 - Mergers & Acquisitions

- 19 Jun 19, 2018 - Mergers & Acquisitions
- 20 May 17, 2018 - Mergers & Acquisitions
- 21 Apr 2, 2018 - Insider Sale
- 22 Mar 5, 2018 - Insider Sale
- 23 Mar 5, 2018 - Insider Sale
- 24 Feb 20, 2018 - Insider Sale
- 25 Feb 20, 2018 - Insider Sale
- 26 Feb 7, 2018 - Impairment
- 27 Feb 6, 2018 - Insider Sale
- 28 Dec 6, 2017 - Cybersecurity
- 29 Dec 6, 2017 - Lawsuit: Sgarlata v. PayPal Holdings Inc et al
- 30 Dec 6, 2017 - Class Actions Lawsuit: Sgarlata v. PayPal Holdings Inc et al
- 31 Dec 6, 2017 - Securities Law Lawsuit: Sgarlata v. PayPal Holdings Inc et al
- 32 Dec 1, 2017 - Cybersecurity
- 33 Oct 24, 2017 - Disclosure Controls
- 34 Sep 19, 2017 - Insider Sale
- 35 Apr 4, 2017 - Insider Sale
- 36 Mar 3, 2017 - Insider Sale



- 37 Feb 14, 2017 - Mergers & Acquisitions
- 38 Jan 12, 2017 - SEC letters to management
- 39 Jan 12, 2017 - Lawsuit: In Re Paypal Holdings Inc Shareholder Derivative Litigation
- 40 Jan 12, 2017 - Securities Law Lawsuit: In Re Paypal Holdings Inc Shareholder Derivativ...
- 41 Dec 28, 2016 - Lawsuit: Cho v. PayPal Holdings Inc et al
- 42 Dec 28, 2016 - Class Actions Lawsuit: Cho v. PayPal Holdings Inc et al
- 43 Dec 28, 2016 - Securities Law Lawsuit: Cho v. PayPal Holdings Inc et al
- 44 Sep 19, 2016 - Insider Sale

- 45 Mar 3, 2016 - Insider Sale
- 46 Jan 29, 2016 - Insider Sale
- 47 Nov 3, 2015 - Insider Sale
- 48 Oct 19, 2015 - Insider Sale
- 49 Oct 16, 2015 - SEC letters to management
- 50 Oct 16, 2015 - Revenue Recognition
- 51 Aug 4, 2015 - Change in CFO

Notifications

Important notifications related to the company are listed here. Notifications may come from the SEC, exchanges such as the NYSE or NASDAQ, or Watchdog Research. Examples of notifications include announcements of bankruptcy proceedings, company name changes, and noncompliance with SEC regulations or exchange rules.

There are no notifications for Paypal Holdings at least since 2015.

Peer Group

Peer groups are used by companies to benchmark executive compensation and performance. Each company identifies its own peer group. Peer groups vary from company to company.

Peer Group

Company	Ticker	Market Cap
Apple Inc.	AAPL	\$1,980b
Amazon.com Inc.	AMZN	\$1,590b
Alphabet Inc.	GOOG	\$1,090b
Facebook Inc.	FB	\$792b
Visa Inc.	V	\$392b
Mastercard Inc.	MA	\$334b
Adobe Inc.	ADBE	\$240b
Paypal Holdings, Inc.	PYPL	\$239b
Netflix Inc.	NFLX	\$214b
Oracle Corp.	ORCL	\$175b

Companies Who Named Paypal Holdings as a Peer

Company	Ticker	Market Cap
Facebook Inc.	FB	\$792b
Visa Inc.	V	\$392b
Mastercard Inc.	MA	\$334b
Nvidia Corp.	NVDA	\$330b
Adobe Inc.	ADBE	\$240b
Paypal Holdings, Inc.	PYPL	\$239b
Salesforce Com Inc.	CRM	\$232b
Netflix Inc.	NFLX	\$214b
Broadcom Inc.	AVGO	\$151b
Starbucks Corp.	SBUX	\$104b



Peer Flag Comparison

The return to a company's stock is not the only measure of executive performance. Ethics matter, and growth can quickly reverse and gains evaporate if a company's accounting and financial reporting processes are not fundamentally sound and trustworthy. How does Paypal Holdings' accounting quality compare to its peer group?

	PYPL	PEERGROUP FLAGS		
Reporting Irregularities				
Financial Restatements	✓	9		
Revisions	✓	6	3	
Out of Period Adjustments	✓	9		
Impairments	!	6	3	
Changes in Accounting Estimates	✓	5	4	
Disclosure Controls	!	4	5	
Internal Controls	✓	9		
Critical / Key Audit Matters	!		7	2
Anomalies in the Numbers				
Benford's Law	!	6		3
Beneish M-Score	⊖	5	1	
Accounting Disclosure Complexity	✓	7	2	
Securities & Exchange Commission Concerns				
SEC Oversight	✓	9		
SEC Letters to Management	!		4	5
Revenue Recognition	!	4	5	
Non-GAAP Measures	✓	9		

	PYPL	PEERGROUP FLAGS		
Litigation & External Pressures				
Significant Litigation	!			9
Class Actions	!			9
Securities Law	!	2		7
Shareholder Activism	✓	9		
Cybersecurity	!	1	8	
Management Review				
CEO Changes	✓	5	3	1
CFO Changes	!	5	4	
Insider Sales	!		1	8
Mergers & Acquisitions	!	4	5	
Sales of Assets	✓	9		
Auditor Assessment				
Auditor Changes	✓	9		
Auditor Experience	✓	9		
Auditor Tenure	✓	7	2	
Audit Fees	!	5	4	
Non-Audit Fees	✓	6	3	



About Watchdog Research, Inc.

Watchdog Research, Inc. is an independent research provider and publisher of Watchdog Reports. Watchdog Reports identify red flags, issues, and other anomalies in financial reporting. Our reports contain warning signs, red flags, material disclosures, and peer analysis for use in valuation, risk analysis, due diligence research, and idea generation.

Watchdog Reports are designed to assist investment professionals fulfill their fiduciary or suitability obligations and to help investors, executives, board members, regulators and educators learn what they need to know about publicly traded companies.

The company is headquartered in Ave Maria, FL. Watchdog Research, Inc. utilizes over 75 specialists and analysts to provide accurate and timely information to our readers.

Our management team is:

CEO: Brian Lawe. Brian has been part of the corporate staff at The New York Times Company and IBM. He has created and operated several technology companies including MyStoreCredit, OnPage Ideas and HelloCampus. He holds an MBA from Harvard Business School and a BBA from Texas Christian University. He and his wife have four children and live in the Naples, FL area.

CTO: Radu Cugut. Radu has led the award-winning technology team that developed the Watchdog Report and services. He, his wife and son split their time between his home in Ave Maria, FL and his home in Timisoara, Romania where he oversees five talented development professionals. Radu has a bachelors in Computer Science and a masters in Banking and Financial Information Systems, both from the West University of Timisoara.

Chief Content Officer: Joseph Burke, Ph.D. is responsible for the content development, analysis, and quality control for the Watchdog Report. Joseph worked previously as a professor of economics at Ave Maria University. He received his Ph.D. from the University of Wisconsin-Madison and resides with his family in the Naples area.

Director of Research: John Cheffers. John is responsible for writing our blogs and for our press relationships. He received his bachelors from Washington University in St. Louis, and has worked for Audit Analytics and Ave Maria University. He graduated Ave Maria University School of Law where his research was selected for publication in the Law Review. He currently lives in Pennsylvania with his wife and two children.



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