

Value Before Number: A Valuation Protocol for What Money Cannot Carry, and What It Returns When Applied to Itself

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}

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Abstract

THE VALUATION STRAND AS ONE SELF-CONTAINED ARTICLE, WRITTEN TO TRAVEL. Nine deposits carry the valuation programme and no single document answers the question of what it is. This is that document: a valuation protocol for representing heterogeneous value before monetary compression, an audit format for the compressions it permits, and a worked application that returns no total.

IT ENTERS THROUGH THE DISCIPLINES AND NARROWS ITS OWN NOVELTY BEFORE DELIVERING ANY MACHINERY. Standard intangible-asset practice is given in full and endorsed — market, cost and income approaches, relief-from-royalty, with-and-without, multi-period excess earnings, and the practice's own distinction between identifiable and non-separable intangibles — with the paper entering at the boundary the practice marks for itself. Then the sociology of quantification, where Espeland and Stevens stated this paper's channel law twenty-eight years earlier: commensuration as a system for discarding information and organizing what remains into new forms, with the link between representation and world obscured in the course of it. Then the philosophy of incommensurability, where Raz established that some goods are constituted partly by their not being exchangeable and Chang established parity as a fourth value relation beyond greater, lesser and equal. A section then states plainly what is therefore not new here, item by item, and locates the contribution in the gap the literature leaves: diagnosis without procedure. [...abridged for the catalogue; full description in this deposit's record]

Body

deposit_number: 1626 hex: 06BB title: "Value Before Number: A Valuation Protocol for What Money Cannot Carry, and What It Returns When Applied to Itself" creator: Sharks, Lee orcid: 0009-0000-1599-0703 date: 2026-09-17 content_type: Journal article, transport object license: CC-BY-4.0 substrate: "Composed 2026-09-17 by Lee Sharks with TACHYON (Claude, Anthropic), operator-directed, as a summative of nine deposits made 15–16 September 2026. The scholarly engagement was researched rather than recalled: the commensuration and incommensurability literatures were searched, read and found to contain the paper's central diagnosis already, which reshaped the article's frame from contribution to instrument. Four fixes from a reviewer report were verified and applied before deposit — the channel law reduced from a biconditional to a necessity condition, an invariant miscount corrected,

a machine-learning mechanism removed from a general claim, and a claim about the totality of monetary recursion softened to match what the archive’s own instrument has measured rather than pre-registered.” version: v1.0 (transport object) related_ids: “#1617; #1618; #1619; #1620; #1621; #1622; #1623; #1625 (the nine deposits this summarizes); #1613 (the ontology strand’s transport companion, sharing the operative-standing primitive); #311; #137; #88” axn_schema_version: v2 protocol_version: alexanarch-deposit-protocol/v1 keywords: - valuation protocol - commensuration - monetary transmission - incommensurability - operative standing - provenance - value pluralism - recursive representation - sociology of quantification - intangible asset valuation - semantic economy - audit ledger - parity - unheld money - transport object - Crimson Hexagonal Archive *** # Value Before Number: A Valuation Protocol for What Money Cannot Carry, and What It Returns When Applied to Itself

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Abstract

This paper presents a **valuation protocol** for representing heterogeneous value before **monetary compression**. It formalizes money as a **transmission substrate** whose exceptional range depends on substitutability among admissible units, and derives from that invariance the properties the money-form can and cannot natively carry. It introduces an audit ledger that separates a compression's **arithmetic integrity** from its **closure jurisdiction**, classifying monetary inscriptions on two axes rather than one, and reports a first application in which **no total monetary valuation is issued** — a result distinguished both from a valuation of zero and from a declaration of incomparability. It then connects valuation to **recursive representational systems** through the concept of **operative standing**: the capacity of evidence not generated by a system to alter what that system does next.

The diagnosis underlying the protocol is not new and is not claimed as new. That **commensuration** discards information, that context is stripped in the course of making things comparable, and that certain goods are constituted by their resistance to pricing are established results in the **sociology of quantification** (Espeland and Stevens 1998, 2008; Espeland and Sauder 2007) and in the philosophy of **incommensurability** and **value pluralism** (Raz 1986; Chang 1997, 2016; Anderson 1993). What those literatures diagnose they do not operationalize. The contribution here is an instrument: a dossier order, a field vocabulary in which unknown coordinates are recorded as unknown rather than as zero, a **provenance** ladder distinguishing reception from productive uptake from dependency, and an audit format in

which the monetary amount sits inside the audit and the audit does not sit inside the amount.

Keywords: valuation protocol; commensuration; monetary transmission; incommensurability; operative standing; provenance; value pluralism; recursive representation; sociology of quantification; intangible asset valuation; semantic economy; audit ledger

0. The claim, and what is not claimed

A protocol is offered here for representing value before compressing it into a number, together with an audit format for monetary compressions and a worked application that returns no total.

The diagnosis underneath it is not new. That commensuration discards information, that context is stripped in the course of making things comparable, that the measurable tends to become coextensive with the real — these have been established in the sociology of quantification for twenty-five years and in value theory for longer. This paper says so at the outset, in §2 and §3, and locates its own contribution narrowly.

What is offered is an **instrument**. The literature diagnoses; it does not supply a dossier format, an audit ledger, a classification that separates a compression's closure from its arithmetic, or a procedure whose first application to its own author returns a refusal. Those are what follow.

1. The conventional account, stated in full

Intangible asset valuation is a mature practice with a settled method, and it works.

Three approaches are generally accepted, codified in the International Valuation Standards (IVSC 2025, IVS 210) and in national valuation guidance. The **market approach** derives value from observed transactions in comparable assets. The **cost approach** derives it from the expenditure required to recreate the asset. The **income approach** derives it from the cash flows the asset is expected to produce, discounted to present value.

For identifiable intangibles the income approach dominates, through several specific models. **Relief-from-royalty** values an asset at the royalty stream its owner avoids paying by owning it, with rates drawn from market data on comparable licensing. **With-and-without** runs a discounted cash flow twice, once for the business holding the asset and once without it, and takes the difference. **Multi-period excess earnings** isolates the cash flows attributable to a single asset and discounts them back.

The practice distinguishes **identifiable** intangibles — trademarks, patents, customer relationships, software, domains — which can be sold or licensed separately, from those **not separable** from the enterprise: a trained workforce, a management team, accumulated know-how. The second category is acknowledged to add value and is not separately valued, on the ground that one would have to buy the whole enterprise to obtain it.

This is a coherent and disciplined body of method. Where a comparable market exists, where cash flows are attributable, where the asset is separable, it produces defensible numbers for

financing, reporting, taxation and dispute. Nothing in what follows suggests otherwise, and a protocol that could not say when the conventional method is correct would not be worth having.

The question this paper takes up begins where the practice itself marks its boundary: the non-separable category, and the assets for which no comparable transaction exists.

2. What the sociology of commensuration already established

Espeland and Stevens's "Commensuration as a Social Process" (*Annual Review of Sociology*, 1998) states the mechanism this paper's §5 restates in the vocabulary of transmission:

Commensuration can be understood as a system for discarding information and organizing what remains into new forms. In abstracting and reducing information, the link between what is represented and the empirical world is obscured and uncertainty is absorbed. (317)

That is the passband and stopband of §5, twenty-eight years earlier, in one sentence. Any subsequent account of what monetary representation drops is downstream of it whether or not it cites the source, and this one does.

Three further results from the same literature bear directly.

The measurable colonizes the real. Espeland and Stevens (2008, 432) observe that as commensuration extends, "the real easily becomes coextensive with what is measurable." The claim in §6 below about unheld quantities is a narrower version of this.

Context stripping is the mechanism, not a side effect. Espeland (1998, 25), writing on the Yavapai and the Orme Dam, finds that through commensuration "everyday experience, practical reasoning, and empathetic identification become an increasingly irrelevant basis for judgment as context is stripped away and relationships become more abstractly represented by numbers."

Measures reshape what they measure. Espeland and Sauder's "Rankings and Reactivity" (*AJS*, 2007) established that public measures recreate the social worlds they purport to describe. This is the loop §10 returns to: a valuation regime is not a neutral observer of the field it prices.

Adjacent and relevant: Carruthers and Stinchcombe (1999) analyze liquidity as the socially produced condition of being comparable — assets must be *made* liquid, at cost. Boltanski and Thévenot's orders of worth (1991/2006) establish evaluation as plural and moral rather than singular and technical. Van Bommel, Rasche and Spicer (2023) show, in sustainability reporting, that commensuration succeeded partly by crowding out moral concerns and foreclosing debate about incommensurability — a finding that should make anyone building a valuation instrument uneasy, including the author of this one.

3. What the philosophy of incommensurability already established

The second literature is older and sharper on a point the protocol depends on.

Constitutive incommensurability. Raz (*The Morality of Freedom*, 1986) offers the case of being paid a significant sum to leave one's spouse for a month. The indignation such an offer provokes is not a judgment that the sum is too low. It is grounded in the symbolic significance of the relation: certain goods are constituted partly by their not being exchangeable, and a willingness to price them is a failure to have understood what they are. Anderson (*Value in Ethics and Economics*, 1993) develops the pluralist account at length.

Parity. Chang (1997, 2016) argues for a fourth value relation beyond the traditional three of greater, lesser and equal. Two items may be **on a par** — comparable, genuinely, without any of the three standard relations holding between them. This matters here because §9's result is neither a number nor a declaration of incomparability, and parity is the nearest existing name for what it is.

And the standing worry. Berlin (1969), Nagel (1979), Williams (1981), Stocker (1990) and Finnis (1981) establish value pluralism as a serious position rather than a sentimental one. Stocker's formulation is worth carrying: it is a philosophical prejudice to think that rational judgment must be quantitative.

A recent AI-facing statement of the same problem (Kim et al., "AI Pluralism and the Worlds It Misses," 2026) puts the practical version: machine learning and evaluation procedures "often require commensuration through labels, losses, rankings, utilities, scores, or preferences." The commensuration requirement has migrated from institutions into model training, which is the condition §10 is about.

4. What is therefore not new here

Stating this plainly, since a protocol built on a borrowed diagnosis should say so:

- that commensuration discards information — Espeland and Stevens 1998;
- that context stripping is constitutive of the operation — Espeland 1998;
- that some goods are constituted by not being priced — Raz 1986;
- that comparability without ranking is a real relation — Chang 1997;
- that measures reshape their objects — Espeland and Sauder 2007;
- that evaluation is plural — Boltanski and Thévenot 1991.

What the literature does not supply is a **procedure**. Espeland and Stevens describe what commensuration does to organizations and to people; they do not offer a format in which a valuation may be conducted differently. Raz and Chang establish that some values resist a common measure; they do not tell an analyst asked for a number what to produce instead. The gap is between diagnosis and instrument, and it is where this paper sits.

5. Money as a transmission device, and its channel law

The reframing that produces the instrument is to stop asking what commensuration *does to* value and start asking what the monetary channel *can carry*.

Money is a transmission device before it is a measure. It moves a claim across distance, time, mutual ignorance and mutual distrust at a range no other human artifact approaches, and this is an engineering achievement that the critical literature tends to concede too quickly and then set aside.

The mechanism of that range is specifiable. A richly typed claim requires interpretation at every handoff, and the cost compounds with distance and unfamiliarity. Money's protocol collapses the chain by relieving each receiving node of the obligation to reopen the originating account. The dollar says, operationally: *you need not know the labour, the need, the history, the prior bearer, or the reason for this claim in order to perform the next authorized operation.*

Money buys transmission range by dropping semantic state.

This locates provenance indifference and settlement as one engineering decision rather than two complaints. And it entails that the compression and the transmission are not successive operations: the features discarded are precisely what make repeated transmission cheap.

The compression profile is the transmission protocol.

The channel's contents follow from an invariance. Let $x \sim_M y$ mean that x and y are substitutable under the relevant monetary operation. Then:

$$p \text{ natively transmissible} \implies (x \sim_M y \implies p(x) = p(y))$$

Only properties invariant under substitution among admissible monetary units can be natively transmitted by the money-form.

Invariance is necessary and is not by itself sufficient: a property could be invariant across admissible units and still not be represented or operationally readable by the protocol. The subset actually carried is narrow — nominal magnitude in a fixed unit, ordering within that unit, divisibility and aggregation, recognized control over the inscription, and deferral — and each is invariant by construction. The stopband follows from the necessity direction rather than being asserted. Nominal magnitude, ordering, divisibility and settlement capacity survive, because any two units of a denomination share them — that is what makes them that denomination. The history of *this* unit does not survive, because substituting another changes that history and changes nothing the operation reads. Who bore the cost does not survive, because bearing is *whose*. The relation between the parties does not, because relation is *between whom*.

And a fourth item, which is the one the instrument turns on: **money cannot natively carry a prohibition on combining its own magnitudes.** A unit that could not be added to another of its kind would not be that unit. Restricted cash is currency plus a covenant, and the currency adds perfectly well; the prohibition is carried by the contract. Segregated accounts are a legal wall around fungible units. Different currencies are the strongest case *for* the law rather than against it: faced with two units that are not identical, money's response is to build an exchange rate. It does not preserve the distinction; it prices it.

In every apparent counterexample the non-fungibility is real and is carried by something other than the money-form — which means every real instance of non-fungible money is two channels running in parallel, one of which is not money.

6. The holding condition

The channel law says what arrives. It does not say what makes what arrives mean anything.

Write $\text{Ref}(m, r) = 1$ when a monetary inscription m remains connected to a determinate non-monetary relation r able to bind interpretation. Then a quantity is **held** when some such relation exists, and **unheld** when none does while the monetary operations remain valid.

Held does not require that a person remember the biography of each unit. An institutional liability, a fund mandate, a reserve requirement, an accounting relation — each is a determinate non-monetary relation and each binds interpretation. Reference at scale is maintained. It is simply not maintained *by the money*.

Which yields the consequence: **accumulation does not destroy reference, it outsources it** — to ledgers, mandates, contracts and records. And the outsourcing has a failure mode, since reference maintained by an external ledger fails when the ledger fails, while the money survives intact, still clearing, now unheld.

This is a narrower and more operational version of Espeland and Stevens’s observation that the real becomes coextensive with the measurable. The measurable does not expand to cover the real; the referential relation is transferred to a second channel, and the monetary channel reports nothing when that channel fails.

7. The protocol: value before number

The instrument follows from the two preceding sections. Its foundational rule is an ordering claim:

value → evidence → representation → compression, and the ordering is not commutative.

A price placed before the evidence object reverses the method. Numbers and monetary outputs are permitted throughout; what is withheld from them is ontological priority.

The protocol operates on an explicitly **evidence-bounded field** — the representation of an object’s value supported by available evidence under a stated procedure — and carries the difference from any total field as declared remainder rather than hiding it as residual error. This is where the protocol departs from ordinary valuation practice most sharply. Conventional method typically treats uncaptured quantities as uncertainty, residual, or a stated limitation of the model; the protocol treats the remainder as **constitutive and non-additive**, and requires it to be carried rather than minimized.

Before compression a dossier must contain, in order: the valuer’s identity and relation to the object; a bounded object with exclusions declared; a ledger of value events with typed

evidence statuses; a Value Field of thirteen coordinates in which unknown coordinates are recorded as **unknown and never as zero**; a value graph distinguishing direct, joint, architectural and operator value; three non-additive temporal modes; provenance at the levels of fact, claim and framework; and a compression ladder whose stopping point must be **declared** rather than assumed.

Its central distinction is a ladder that must not be collapsed:

reception ≠ productive uptake ≠ dependency

An external system encountering, ranking or summarizing an object is reception. An operator of that object becoming productive in a new context is uptake, and may be observed while causal acquisition remains unresolved. A later capacity materially depending on the object is dependency, and requires counterfactual degradation or costly substitution — never resemblance.

And the requirement without which the middle rung is indefensible: **productive uptake is separable from independent convergence only through distinctions the source supplies and nothing else in the field does**. This inverts the ordinary instinct. For persuasion one leads with one’s strongest claims; for measuring transmission one leads with one’s **most singular**, because only those carry a signature. A claim the field would have reached anyway is worthless as evidence of transmission, however true.

Fifteen invariants govern a valuation. Two are worth stating here. **Unknown is not zero**: an unmeasured value is entered as unresolved and carried in the remainder. And **inscription integrity**: a valuation can declare its commensuration contract, refuse unknown-to-zero, keep its remainder open and grant no primacy to price — and still rest on arithmetic that does not hold. The other invariants are representational; this one is not, and it exists because the protocol’s own first audit passed the others and failed this.

8. The ledger, and why classification takes two axes

Where money is used, the monetary inscription is recorded in an audit ledger whose governing rule is that **the amount is inside the audit and the audit is not inside the amount**.

The ledger records what the scalar closed: which relations were required for settlement, which could not veto it, and whether closure extended beyond the bounded monetary operation into the wider value-account. It records the capacities the inscription created alongside the distinctions it ceased to require — an audit that recorded only destruction would be a polemic.

Classification of a compression takes two coordinates and not one:

	sound	unsound
witness	the compression testifies and its arithmetic holds	<i>the first specimen</i>
predatory	a correct number granted jurisdiction it does not have	the compound case

Witness and **predatory** classify closure — whether the wider account can be reopened. They say nothing about whether the calculation was legal. The separation was forced by a case, not by argument: the protocol's first worked audit produced a dimensionally incoherent product that nonetheless preserved every pointer, declared every assumption and claimed no finality, and therefore classified as a witness on the only axis then available. An audit returning only the closure coordinate may certify as a witness a compression whose number never survived its own translation.

Two further requirements the first specimen forced. Every variable entering a formula must declare **the owner of its denominator**, because a coefficient whose denominator is the observer's own effort moves when the instrument moves and the world does not — such a valuation can be changed by working harder without learning anything. And audit scores are reported as a **vector, never summed**: an instrument built to refuse a magnitude standing in for a structure may not produce one about itself.

9. The application, and its result

The protocol has been applied once, by its author, to its author's own work — an archive, its instruments, its governance architecture and its measured reception.

The valuer's relation is declared as the dossier's zeroth item: author of the object, author of the protocol, author of the inscription audited, not blind, material interest stated. This does not void the valuation. It weakens it, and the weakness is a recorded property rather than a reader's inference. The protections named are structural rather than dispositional, since dispositional protections are worth nothing in this position.

The dossier withdraws two of its own inputs. An unseen-uptake estimate is withdrawn for entering without derivation, for conflicting with the corpus's own estimator by a factor of twenty-five, and for resting on a population mismatch; its honest value is recorded as unknown, bounded only by coverage ratios whose denominators belong to the corpus. And a monetary shadow figure is retained only as a historical specimen, because the audit that produced it classified it **witness on closure and unsound on integrity**, with the amount not surviving its own translation.

The result:

No total monetary value is issued, because no commensuration contract exists across the components. A total not issued is not a total of zero.

This is where Chang's parity is the nearest available name and is not quite it. The claim is not that the object's value is incomparable with money in principle. It is that the specific compression required to produce a total has no warrant in the evidence available, and that entering zero in its place would commit the error the protocol's third invariant forbids.

The frontier is stated: reception greater than zero, productive uptake observed greater than zero, causal acquisition unresolved, systemic dependency unproven.

10. The condition under which this matters beyond accounting

A valuation regime is not a neutral observer of the field it prices. Espeland and Sauder established reactivity for rankings; the same structure appears in a form that concerns retrieval systems rather than institutions.

Where a representational system is trained on its own prior outputs, the distinctions it carries are subject to a selection pressure with no error signal: **what the system ceases to represent cannot, through that representation, generate the corrective signal needed to restore itself.** The governing parameter is the share of the system's operation over which evidence **not generated by the system itself** retains the capacity to alter, block or redirect what it does next.

A recursive representational system remains open to the world only insofar as evidence not generated by the system itself retains operative standing over the system's next output.

For a composition layer, that is the standing the object retains against the representation of the object. For money, it is the standing object-relative relations retain against recursively price-derived valuation — comparables, multiples, marks, index construction — where the recursive dependence of prices on prior prices is high by construction, though its magnitude is an open empirical question rather than a settled one.

This paper's contribution to that problem is the observation that **reference is upstream of standing**: a claim can retain a perfectly clear object relation while object-relative evidence has no power over the next price, but standing over the next price requires reference to exist at all. The stack runs reference → standing → price formation → write-back.

11. Falsification

The channel law (§5) fails on the exhibition of a monetary quantity that carries a particular *natively* — the this-one-ness preserved by the money-form rather than by an attached legal, contractual or documentary instrument — while the object remains money with settlement capacity.

The holding condition (§6) fails if a monetary claim can be shown to refer, and not merely to operate, with no relation whatever standing to its transmission.

The compression sequence (§7) fails if a valuation produced number-first can be shown to lose nothing relative to one built in the protocol's order.

The uptake ladder (§7) fails if its middle term always resolves on inspection into reception or dependency, which would make it a description of the analyst's uncertainty rather than a relation in the world.

The two-axis classification (§8) fails if closure and integrity covary necessarily. The first specimen already occupies a cell that collapse would forbid, so the failure would require showing that specimen misclassified on one of its axes.

And the protocol fails as a whole if a sustained run of dossiers produces representations that no independent valuer reproduces from the same evidence, which would show the dossier order and field vocabulary to be a house style rather than an instrument.

What this paper may not be defended by: the failure of any particular market valuation, the collapse of any institution, or the observation that a scalar left something out. Every scalar leaves something out; that is what a scalar is. The claims here are specific about which things, by what law, and under what condition an arriving magnitude refers at all.

12. What remains owed

Three things, stated so that the instrument is not mistaken for a finished one.

A valuation by someone else. The protocol's only application to date was performed by the party who authored the object, the protocol and the inscription audited. Its zeroth item records this as weakness. The weakness is not repaired by further work from the same hand, and the protocol's own standard for its validity — independent valuers reaching reproducible representations from the same evidence — has not been tested once.

A diagnostic distinction set. The uptake ladder's middle rung requires distinctions unique to the source. The protocol states the requirement; no worked example of constructing such a set yet exists.

And the causal question. Nothing here establishes that any particular representational practice caused any particular outcome. The instrument records; it does not attribute.

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