

## Summary of Paper: [Managers' Strategic Use of Concurrent Disclosure: Evidence from 8-K Filings and Press Releases](#)

### **What is this Study About?**

This study investigates how managers attempt to control the dissemination of negative news to investors. In particular, the researchers explore whether managers deliberately issue press releases about unrelated events at the same time as 8-K filings that disclose unfavorable information, with the aim of increasing investors' processing costs and delaying the market's reaction to the negative news.

### **What are the major findings of the study?**

Managers are indeed more likely to issue unrelated press releases concurrently with negative 8-K filings. This strategy is distinct from the previously known practice of bundling positive and negative news to mitigate price declines or to deter litigation. The issuance of unrelated press releases when disclosing negative news is associated with a slower incorporation of this information into stock prices, indicating that this strategy distracts investors and impedes their ability to process the negative news. The study also identifies that this behavior is more pronounced when managers have strong incentives to obscure the pricing of negative information, such as before insider sales or when disclosures are mandatory.

### **Why is the study important?**

These findings reveal a previously unexplored tactic used by managers to manipulate investor attention and market reactions. By understanding how concurrent unrelated disclosures are used to obscure negative information, regulators, investors, and policymakers can better appreciate the complexities of corporate disclosure practices and potentially develop strategies to mitigate such behavior. This insight is crucial for improving market transparency and ensuring that stock prices more accurately reflect all available information in a timely manner.