

Do Investors Benefit from Selective Access to Management?

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Abstract

This paper examines whether selective access to corporate managers allows investors to revise their beliefs and execute profitable trades. We examine whether investors benefit from two potential opportunities for selective access at invitation-only investor conferences: one-on-one meetings with managers throughout the day and breakout sessions with managers after the webcast presentation. We find significant increases in trade sizes during the hours when firms provide offline access to investors, consistent with selective access providing investors with information that they perceive to be valuable enough to trade upon. We also find significant potential trading gains concentrated primarily in three-day horizons after the conference for firms providing formal offline access, suggesting that selective access can lead to profitable trading opportunities. Our evidence suggests that selective access to management conveys benefits to certain investors even in the post-Reg FD period.

Keywords: Selective Disclosure, Regulation Fair Disclosure, Conference Presentations, Informed Trading

JEL Classifications: M41, K22

1. Introduction

This paper examines whether selective access to corporate managers allows investors to revise their beliefs and execute profitable trades. We define “selective access” as the opportunity for investors to meet privately with management in individual or small-group settings.

Regulation Fair Disclosure (Reg FD) prohibits the selective disclosure of material information by managers in private settings. Academics and regulators have argued that this prohibition has “leveled the playing field” among investors (Unger, 2001; Koch, Lefanowicz, and Robinson, 2013). However, Reg FD does not prevent investors from privately asking questions of managers to elicit “mosaic” information that is valuable only in combination with their private information (Cooley Godward, 2000). In this paper, we examine whether selective access during private meetings still provides an “unlevel” playing field that facilitates profitable trading.

One of the most prevalent settings for selective access is invitation-only investor conferences, which have grown substantially since Reg FD. Managerial presentations at conferences are generally webcast to allow access to those not attending the conference; however, only the invited investors are able to meet “offline” with managers outside of the presentation. We test whether selective access conveys significant advantages to investors by examining the size and profitability of trades during offline meeting periods.

While there are other possible venues for private communication between managers and investors, a key advantage of the conference setting is that we can measure trading activity in the specific hours when investors have offline access to managers. Using a sample of 7,668 conference presentations between 2003 and 2008 with available transcripts, we identify that about half of the conferences also schedule formal offline meetings. Some conferences schedule “one-on-one meetings” between select investors and managers throughout the conference day

and others provide “breakout sessions” in another room immediately after the presentation ends. During these offline sessions, investors can ask specific questions to supplement their private information without revealing that information to other investors in a public setting. Investors can also assess nonverbal cues in managers’ responses (or nonresponses) to questions in a less-rehearsed setting. While managers are advised to take particular care not to release material information during these meetings (Cooley Godward, 2000), managers could also inadvertently or intentionally disclose material information. Thus, relative to a benchmark sample of presentations without formal offline access, we expect that conferences with one-on-one meetings confer selective access advantages to investors throughout the day, whereas those with breakout sessions only confer selective access advantages after the presentation. The differential timing of the private meetings provides a powerful research design for detecting selective access advantages, while dismissing alternative explanations such as delayed trading responses to the presentation or a generally higher level of trading during conference days.

We first test for selective access advantages using changes in trade sizes. Larger trade sizes reflect both greater institutional investor trading and more information-based trading. Thus, we expect that average trade sizes, the percent of large trades, and volume due to large trades will increase when investors believe that selective access has given them an information advantage. We use a differences-in-differences research design with the inclusion of 22 control variables for potentially-correlated firm and presentation characteristics. We first use the firm as its own control by computing changes in trade sizes between the period around the presentation and the same time and day one week prior. Then, we compare these changes for firms providing selective access advantages (i.e., one-on-one meetings and breakout sessions) to firms providing only presentation access. We find significantly greater increases in trade sizes in the hours

before and after the presentation for firms providing one-on-one access and in the hours *after* the presentation for firms providing breakout sessions. This evidence is consistent with selective access through formal offline meetings providing investors with information during those meetings that they perceive to be valuable enough to trade upon.

We next examine whether selective access leads to profitable trading opportunities. We compute potential trading gains for horizons starting two hours after the presentation through three days to one year after the presentation. We measure potential trading gains by interacting future size-adjusted returns with an indicator for abnormal net buys during the selective access periods. We classify each trade as a buy or sell using the Lee and Ready (1991) algorithm with a zero-second delay between trades and quotes (Rogers, 2008). We compute abnormal net buys as the difference between net buys in the selective access period and the same period one week earlier. Potential trading gains are positive when abnormal net buys (sells) precede positive (negative) future returns. If selective access provides profitable trading opportunities, then we expect that future trading gains for presentations with offline access will be greater than for presentations with no formal offline access.

We find significantly greater three-day future trading gains based on abnormal net buys before and after the presentation for firms that provide one-on-one meetings, compared to firms with no offline access. We also find significantly greater three-to-thirty-day future trading gains based on abnormal net buys after the presentation (but not before) for firms that provide breakout sessions, compared to firms with no offline access. This evidence is consistent with investors trading based on information gained in the offline meetings that becomes impounded into price in the short-term, likely via a subsequent presentation or other disclosure. Thus, investors are not

only changing their beliefs based on their private access to management, but their trades appear to be profitable over a short horizon.

This paper contributes to the literature by finding the existence of potential selective access advantages in the post Reg-FD period. We provide this evidence by examining the trades that occur during specific private meeting periods and by estimating the potential gains from these trades. In contrast, much of the extant literature looks at analyst forecasts, conference calls, or public disclosures and does not attempt to measure the profitability of trades during selective access periods. While prior work tends to conclude that Reg FD significantly curtailed information advantages due to privileged access (see Koch, et al. 2013 for a review), we find that certain investors are still able to exploit their selective access to management to execute larger and more profitable trades, suggesting that the playing field was not leveled in all aspects of firm communications. This finding is relevant to academics, regulators, and investors in showing how selective access creates information advantages for some classes of market participants.

The remainder of the paper is structured as follows. In Section 2, we review prior literature, provide institutional background on conferences, and develop our hypotheses. Section 3 describes the data and sample selection. In Section 4, we outline our research design. Section 5 presents our empirical results and Section 6 concludes.

2. Literature Review and Hypotheses

2.1 Prior literature

Prior literature finds that Reg FD expanded real-time access to firms' disclosures, thereby "leveling the playing field" for all market participants (see Koch, et al. 2013 for a review). For example, prior work finds that changes in stock return patterns, bid-ask spreads, cost of capital,

analyst behavior, the behavior of short-term traders, and the quantity of voluntary disclosures in the quarters before and after Reg FD are consistent with a significant reduction in selective disclosure behavior by managers (Heflin, et al. 2003, Bailey, et al. 2003, Eleswarapu, et al. 2004, Francis, et al. 2006, Wang 2007, Duarte, et al. 2008, Ke, et al. 2008, Kross and Suk 2012). The SEC's review of the impact of Reg FD provides a similar view (Unger, 2001).

Reg FD also had a significant impact on conference calls, which are an interactive medium of disclosure similar to the private meetings we examine in this paper. Using a pre-Reg FD sample of conference calls that were generally invitation-only, Frankel, et al. (1999) shows that large investors trade in real-time on the information released during calls. Bushee, et al. (2003; 2004) find that conference calls providing open access, both pre- and post-Reg FD, are associated with an increase in small trades and higher price volatility, suggesting that the universal open access after Reg FD eliminated the selective disclosure advantage of large investors. While our private meetings are similar to the pre-Reg FD invitation-only conference calls, our research setting has three important differences: the post-Reg FD legal environment makes it less obvious that private meetings provide material information to large investors; we can examine the interrelation between private and public meetings that occur during the same day; and we test for future trading profits based on the trading during the private interaction.

Recent studies suggest that investor conferences are rich settings to explore the effects of interactive communications between firm managers, institutional investors, and analysts. Bushee, et al. (2011) finds that the "disclosure milieu," which they define as the characteristics of the audience and its interactions that are specific to a conference, affects the amount of information impounded into stock prices during the conference and the subsequent changes in institutional ownership and analyst following for conference firms. Markov, et al. (2011) finds

that select investors obtain information at conferences about firms that are about to receive favorable analyst coverage from the sponsoring brokerage firm, resulting in price run-up of stocks prior to their coverage initiation. Green, et al. (2012) finds that commissions of sponsoring brokerage firms increase in the week following a conference, and that the increase is associated with the informativeness of the disclosures occurring at the conferences. While we also use the investor conference setting, our study differs from these prior studies because we focus on the formal private meetings that provide large investors selective access to management beyond just the presentations, which are generally webcast to the public.

In a recent concurrent study that examines private meetings between investors and management, Solomon and Soltes (2013) obtain data from a single firm that details 935 meetings with 340 institutional investors at 70 venues over a six-year period. They find that investors who meet privately with management make more informed trading decisions; i.e., quarterly changes in holdings are associated with subsequent returns. While this evidence is consistent with selective access advantages at private meetings, Solomon and Soltes (2013) cannot measure the trades that occurred during the specific meeting period (i.e., the quarterly changes in holdings could reflect trades that are based on other events, before or after the private meeting period) and their conclusions are based on only one firm. In contrast, our study examines the specific trades occurring during selective access periods, compares trading between public and selective access periods, and provides greater external validity by examining a large cross-section of firms.

2.2 Selective access at investor conferences

Despite the evidence that Reg FD has curtailed selective disclosure, the law does not prohibit “selective access” to managers, which we define as the opportunity for investors to meet privately with management in individual or small-group settings. Reg FD generally allows

investors to ask specific questions of managers to elicit “mosaic” information that is valuable only in combination with their private information.¹ One of the most prevalent settings for selective access meetings is invitation-only investor conferences, which have grown substantially in popularity among institutional investors since Reg FD (Bushee, et al. 2011). Anecdotal evidence suggests that the possibility of selective access to management is a key motivation for institutional investors to attend conferences (Jackson 2007, Kwoh 2012) and that facilitating private access is a critical job for both sell-side analysts and IR professionals.²

To comply with Reg FD, conference sponsors generally provide real-time webcasts of the presentations for all market participants to listen, and in some cases, view the presentation slides. However, only those attending the presentation in person have the opportunity to participate in informal offline discussions, as well as attend formal offline meetings, such as breakout sessions and one-on-one meetings with management. The decision to provide these formal offline meetings is generally made by the conference sponsor, who must reserve rooms to facilitate the meetings. In fact, offline meetings are sometimes marketed in the name of the conference itself (e.g., “J.P. Morgan West Coast International 1-on-1 Equities Conference”).³ These formal

¹ The SEC does not define “material information” and firms have some latitude to discuss details of the business and fill in the “mosaic” of information without violating Reg FD (Cooley Godward, 2000). In 2005, a district court judge dismissed an SEC claim that Siebel Systems violated Reg FD during a conference presentation, saying (in part) “Regulation FD does not require that corporate officials only utter verbatim statements that were previously publicly made.” Further, the judge argued that “Although stock movement is a relevant factor to be considered in making the determination as to materiality, it is not, however, a sufficient factor alone to establish materiality” and that “the actions taken by those in attendance at the speaking engagement, although a relevant consideration, do not change the nature or content of statements” (SEC v. Siebel Systems, et al., 2005). As this court ruling shows, it is difficult for the SEC, companies, and researchers to determine whether Reg FD has been violated.

² From 2003 to 2008, institutional investors consistently ranked “management access” as one of the top attributes when voting for sell-side analysts and brokerage firms in *Institutional Investor’s* annual survey of All-Star Analysts. Moreover, a recent survey indicated that one-third of the portion of commission payments used to compensate brokerage firms is to reward brokers for corporate access, including the facilitation of meetings between the buy-side and company management and invitations to conferences (Greenwich Associates, 2010). Finally, a survey finds that CEOs, CFOs, and investor relation professionals consider facilitating meetings with the buy-side as the most critical aspect of the investor relations function (Thomson Reuters 2009 IR Best Practices).

³ While the conference sponsor decides to provide this format, companies can opt out of the meetings. The most common reason for opting out is that the company is in a “quiet period” just before an earnings announcement and does not want to risk providing material information in one of these offline settings. Thus, when classifying

offline sessions allow us to cleanly identify periods when certain investors have selective access to management, and thus test for any advantages conferred by such access.

2.3 Hypotheses

2.3.1 Sources and timing of selective access advantages

There are a number of potential sources for selective access advantages during private meetings at investor conferences. First, managers may inadvertently or intentionally disclose material information in violation of Reg FD to reward favored investors or to "guide" investors toward the proper valuation of the company without incurring the proprietary costs of public disclosure. Second, offline access could facilitate information gathering efforts of sophisticated investors who prefer to ask questions that fill in the "mosaic" around their private information in offline settings that do not reveal their private information to other traders. Thus, while the information the manager provides would not be material on its own, it would allow the investors to update their private information and trigger trades. Third, investors could update their private information based on inferences from nonverbal cues, such as managers avoiding answering a certain question or exhibiting body language or verbal tone suggesting they are hiding information. These cues are likely more pronounced in the offline meetings than in the more rehearsed presentation. Several of these sources indicate that selective access advantages could occur even when managers do not disclose new material information. Thus, any apparent selective access advantages do not necessarily represent selective disclosure in violation of Reg FD; rather, they indicate that private access to managers is valuable to investors.

A key advantage of investor conferences as a research setting is that we can identify specific periods when private meetings are potentially conferring selective access advantages to

presentations based on the opportunities for offline access, we will assume that offline meetings are determined at the conference level, but we will remove companies that we believe are in a quiet period.

investors. While all conferences provide the possibility for attendees to have private discussions with managers outside of the presentation, some conferences schedule formal offline meetings between management and attendees. Scheduled “one-on-one” meetings occur throughout the day, both before and after the public presentation. Accordingly, one-on-one meetings provide a selective access advantage to different subsets of participating investors throughout the trading day. In contrast, “breakout” sessions happen immediately following the presentation. Thus, breakout sessions concentrate the access advantage in the period immediately after the presentation. In our hypotheses below, we predict greater selective access advantages *before* and *after* the presentation for conferences with one-on-one meetings and greater advantages immediately *after* the presentation for conferences with breakout sessions, compared to presentations with no formal offline meetings.

These differential predictions based on the different timing of the two forms of private meetings greatly enhance our construct and internal validity. Evidence consistent with these timing effects is more likely to be capturing the effect of selective access, rather than delayed trading responses or generally higher trading activity during conference days.

2.3.2 *Selective access and trade size*

We use two measures to test for the selective access advantages during private meetings. First, we examine changes in trade sizes to provide evidence on whether the participants believe they are getting valuable information during selective access periods, regardless of whether the information is ultimately profitable. Prior empirical and theoretical work indicates that trade size is a proxy for investors’ wealth and level of informedness (Cready, 1988; Lee, 1992; Lee and Radhakrishna, 2000; Easley and O’Hara, 1987). This evidence suggests that institutional investors execute larger trades, on average, than individual investors; thus, trade sizes should

increase when institutional investors have selective access to management. It also suggests that investors increase their trade sizes when they experience significant revisions to their beliefs, which again is more likely to happen when investors have access to management. Consistent with selective access, the prior literature on conference calls shows that when access was restricted to sell-side analysts and institutional investors, trades sizes increased during the call, suggesting that large investors with access to the calls were trading on the information released during the calls (Frankel, et al., 1999). We examine trade sizes before, during, and after a presentation in a differences-in-differences research design. We hypothesize that trade sizes increase during periods when participants have selective access to management:

H1a: Trade sizes increase during the periods before and after the presentation for companies providing one-on-one meetings relative to companies with no formal offline meetings.

H1b: Trade sizes increase during the period after the presentation for companies providing breakout sessions relative to companies with no formal offline meetings.

2.3.3 *Selective access and potential trading gains*

Second, we examine potential future trading gains to provide evidence on whether selective access allows participants to execute profitable trades. Direct evidence on whether investors are able to profitably exploit their access to managers is difficult to obtain because we can neither identify the investors who receive selective access nor their individual trades. We also do not know the horizon over which the investors' trades would be profitable; i.e., whether the private information will be revealed in the short-term or over the long-term. We follow the approach of Asthana, Balsam, and Sankaraguruswamy (2004), who measure trading gains by interacting future returns with the net buys during a trading period. We use the Lee and Ready (1991) algorithm with a zero-second delay between trades and quotes (Rogers, 2008) to identify

whether each trade is a buy or sell and compute abnormal net buys as the difference between net buys in the selective access period and in a control period. We then interact an indicator variable for abnormal net buys or sells with future size-adjusted returns over various horizons to compute the potential trading gain. We hypothesize that, if selective access allows investors to buy (sell) prior to positive (negative) information being revealed in price, then future trading gains will be associated with the timing of selective access:

H2a: Future trading gains based on abnormal net buys during the periods before and after the presentation will be larger for companies providing one-on-one meetings than for companies with no formal offline meetings.

H2b: Future trading gains based on abnormal net buys during the period after the presentation will be larger for companies providing breakout sessions than for companies with no formal offline meetings.

2.4 *Selective access and the reaction to the public presentation*

The presence of offline meetings before and after the presentation has the potential to significantly influence the market reaction to the public presentation. For example, investors who participated in one-on-one meetings before the presentation could later revise their beliefs based on additional (or contradictory) remarks made by managers in response to questions from other investors during the presentation. This complement effect would suggest a larger market response to the public meeting for firms with one-on-one meetings. Alternatively, if investors take positions based on the prior one-on-one meeting and the subsequent presentation impounds that information into price, larger trade sizes during the presentation could be due to investors cashing out of their positions taken during the prior selective access period.

Conversely, private one-on-one meetings prior to the presentation have the potential to preempt the information in the public meetings if the investors' trades during the private

meetings impound their private information into price. In addition, scheduled breakout sessions or one-on-one meetings after the presentation could reduce the information content of the presentation if investors hold their questions for the subsequent private meetings to avoid broadly revealing their private information. These potential substitution effects would suggest a lower market response to the public presentation for firms providing any formal offline access.

A third possibility is that the number of investors who participate in the offline meetings is not large enough to influence the response to the presentation or that the information is truly uncorrelated between public and private meetings. In either case, offline meetings would have no impact on the response to the public disclosure. Given our lack of priors on which effect should dominate, we view these analyses as descriptive evidence of the influence of offline access on the reaction to the public presentation.

3. Data

3.1 Sample selection

We obtain data on conference presentations from the Thomson Financial Street Events database. The data include the firm name, ticker, conference name, date, time, and location of each presentation. In the majority of cases, Thomson receives this data from the sponsor of the conference; they supplement this data with their own collection efforts and with company announcements of conference presentations. Thomson provides this data both to alert its customers of upcoming conferences and to provide webcasts or transcripts of the presentation.

Our sample period is from 2003 to 2008 because Thomson did not collect time stamps for the presentations prior to 2003 (see Panel A of Table 1). We only include presentations at US

conferences for which we have the requisite financial data from CRSP and COMPUSTAT. We exclude presentations at product market conferences and those with missing time stamps. Further, we require that the presentation start during trading hours and have at least 30 minutes of trading; i.e., the start time is between 9:30AM and 3:30PM Eastern Time, inclusive. This restriction ensures our results are not driven by differences between regular and after-hours trading. To analyze intraday market behavior, we require data from the Trade and Quote (TAQ) database. There are 37,408 presentations that meet these sample selection criteria.

To identify the occurrence of offline meetings at the conferences, we collect transcripts for presentations from Thomson Reuters. The company and conference jointly decide whether, and how long, to archive transcripts on the Street Events site. Due to this limitation, most of our transcripts are from the 2005-2008 period (see Panel B of Table 1). After requiring an available transcript, our final sample consists of 7,668 presentations given by 1,552 unique firms.

3.2 Identifying the presence of selective access periods

We identify the presence of formal offline meetings by searching each presentation transcript for any mention of “one-on-one” or “breakout” (and all common variants). We read the sections of the transcript where these terms are used to verify that the firm indeed conducted one-on-one meetings during the day or held a breakout session after the main presentation. In addition, we read the last few lines of the transcript to see whether it mentions “moving to another room” or any other wording that would indicate the presence of a formal breakout session. In the Appendix, we provide some examples of transcripts referring to one-on-one and breakout sessions. These examples also demonstrate the interplay between offline meetings and the public presentation. For example, the Beazer Homes excerpt in Panel A demonstrates a reference to discussions during a prior one-on-one. Notably, it occurred in response to a

question, not as part of the scripted speech; thus, it is entirely possible that the line of discussion would not have occurred in the public presentation absent receiving a similar question. Panel B provides examples of references to breakout sessions. In those excerpts, the managers suggest they will provide further detailed information in the breakout sessions.

For any presentation we code as having one-on-one meetings or a breakout session, we also treat all other presentations at that conference as having had one-on-one meetings or breakout sessions. If a conference offers both one-on-one and breakout sessions, we classify the conference as providing one-on-one meetings because they should be associated with access advantages both before and after the presentation. This conference-level classification assumption reflects the fact that conferences often reserve space at the meeting location for these sessions, making it likely that all firms could have provided offline access regardless of whether it is mentioned in transcript.⁴

Based on this procedure, we set indicator variables *DIONI* and *DBREAKOUT* equal to one for one-on-one meetings and breakout sessions, respectively, and zero otherwise. In Panel A of Table 2, we report that 14.7% of presentations are accompanied by one-on-one meetings, 41.1% are followed by a breakout session, and 44.2% have no formal offline meetings.⁵

4. Research Design

⁴ We make two exceptions to this conference-level assumption. If the transcript explicitly mentions that the firm will not hold offline meetings or if the presentation is within ten days of the firm's earnings announcement date, we classify the presentation as having no offline meetings; 24 observations are reclassified based on these exceptions.

⁵ If we only form the sample based only on explicit mentions of offline meetings in the transcripts, then 5.2% (20.4%) of the observations would be classified as having one-on-one (breakout) sessions. We estimated our tests using this sample approach and dropping any observations at the same conference as offline meeting observations but with no explicit mention of them in the transcript. All of our main results still hold, with one exception (the coefficient on *DIONI* in column 5 of Table 6), albeit at generally lower-levels of significance. Thus, the conference-level assumption increases the power of our tests by adding observations that likely had offline meetings even though they were not referred to in the transcripts.

We use a differences-in-differences research design with the inclusion of a large number of control variables to test for selective access advantages. First, we use the firm as its own control by measuring key variables as changes between the hours around the presentation and the same time and day one week prior. Second, we compare these changes for firms providing offline access (i.e., one-on-one meetings and breakout sessions) to firms that present at investor conferences but do not provide formal offline access. This approach helps ensure that we are finding effects that are specific to the timing of selective access, rather than general results for firms presenting at conferences. Even though the provision of formal offline meetings is a conference-level decision, rather than a firm-level decision, it is possible that offline access could still be correlated with differences in firm characteristics. Thus, we estimate our difference-in-difference analysis in a regression that includes 22 variables that control for the type of officer present at the conference, the information content of the presentation, and for firm characteristics such as size, growth, profitability, and risk.

4.1 Change in trade size variables

We compute three measures of change in trade sizes: change in average trade size, change in the proportion of large trades (i.e., greater than \$50,000), and change in trading volume due to large trades. We compute each change variable for five one-hour test intervals surrounding the presentation: two in advance of the presentation (t_{-2} , t_{-1}), one beginning at the start time of the presentation (t_0), and two following the presentation (t_1 , t_2).⁶ We require that the pre- and post-presentation hours occur during the same trading day as the presentation hour to be included in the analysis. Figure 1 illustrates the timeline of each measurement interval.

⁶ The hour window was chosen to be long enough to span the entire time of the presentation or offline access session (most presentations last 30-45 minutes) and allow for some post-session trading within the window. Thus, an investor would not have to execute trades during the meeting with management to show up in the hour window; any trading immediately after the session would still likely show up in the appropriate one-hour window.

The change in average trade size (*CLAVGFSIZE*) is defined as the log of the average number of shares of all trades during the test interval minus the same variable measured during the control interval. This measure captures overall increases in trade sizes, which would be consistent with both an increase in the presence of institutional investor trades and trades that are based on private information, rather than liquidity or noise trades. Both explanations suggest increased trading activity by investors receiving selective access at the conference.

The change in the percent of large trades (*CLGTRADE*) is defined as the percent of large trades in the test interval minus the percent in the control interval. We measure the percent of large trades as the number of large trades divided by total trades and express the variable in percentage points. We classify large trades to be those greater than \$50,000 using the stock price at the beginning of the time interval to determine total trade value (Lee, 1992; Bushee, et al., 2003). This variable measures the proportion of large trades, which are most likely to be initiated by investors present at the conference. While this measure controls for overall changes in trading volume, a drawback to this measure is that it could be driven by either an increase in large trades or by a reduction in smaller trades.

The change in volume due to large trades (*CLGVOL*) is defined as the log of total trading volume due to large trades during the test interval, minus the same variable during the control interval. Large trades are again defined as those greater than \$50,000. This variable directly measures the change in volume solely due to large trades. One drawback to this measure is that large trade volume could increase due to selective access advantages or due to an overall increase in volume during the conference day. In the empirical analysis for this variable, we

control for the overall trading volume effect by including changes in volume due to small trades (*CSMVOL*), which is measured analogously using trades under \$10,000.⁷

4.2 Potential trading gains

We measure trading gains ($GAIN(t)$) as the interaction between buy-and-hold size-adjusted returns (SAR) over various windows subsequent to the selective access period and an indicator variable, $NETBUYS(t)$, for whether abnormal net buys are positive or negative during test interval t .⁸ To compute SAR , we compound the firm's raw return starting with the stock price two hours after the presentation (or at the end of the day if it comes first) and ending at horizons from three to 252 trading days after the presentation. We subtract the returns for the firm's size decile, where we start the compounding for the size portfolio at the start of the presentation date. To compute abnormal net buys, we first use the Lee and Ready (1991) algorithm to classify each trade as a buy (sell) order when the trade price is above (below) the midpoint of the quoted spread. When the trade price is at the midpoint, the trade is classified as a buy (sell) if the price change immediately before the trade is positive (negative). Based on the evidence in Rogers (2008), we use a zero-second lag to match trades to quotes. We then compute abnormal net buys for an interval as the difference between total buys and total sells in the test interval, less the difference in the corresponding control period (see Figure 1).

⁷ Using an algorithm to compare Spectrum and TAQ data, Campbell, Ramadorai, and Schwartz (2009) conclude that trades that are either under \$2,000 or over \$30,000 in size reveal institutional activity, whereas intermediate size trades reveal individual activity. We also collected "micro trades" (under \$2,000), but found that fewer than 25% of our observations have nonzero values for trades this small. This lack of micro trades suggests that few institutions are dividing up their trades in our sample, which could reflect the large size and high liquidity of our sample firms. If we add the micro trades to the large trades, our results are similar in sign and significance.

⁸ Asthana, et al. (2004) compute the $GAIN$ variable using net buys as a percent of total trades, rather than with an indicator variable. The $GAIN$ measure using the indicator variable represents the abnormal size-adjusted returns to any investor that bought or sold in the correct direction after the presentation, whereas the Asthana, et al. (2004) measure weights the future gain by the number of trades that were in the correct direction. We report the measure using the indicator because the coefficient is easier to interpret and because not every investor trading during the period has selective access, making the Asthana et al. (2004) measure not appropriate for our setting. Nevertheless, our results using their approach are similar in sign and significance.

We calculate three different trading gains variables based on when the trading occurs. Future trading gains based on net buys after the presentation ($GAIN(t_1, t_2)$) are computed as SAR times $NETBUYS(t_1, t_2)$, which is equal to 1 if abnormal net buys are positive in the two hours after the presentation (t_1, t_2) and -1 if they are negative. Future trading gains based on net buys during the presentation ($GAIN(t_0)$) are computed as SAR times $NETBUYS(t_0)$, which is equal to 1 if abnormal net buys are positive in the hour of the presentation (t_0) and -1 if they are negative. Future trading gains based on net buys before the presentation ($GAIN(t_{-1}, t_{-2})$) are computed as SAR times $NETBUYS(t_{-1}, t_{-2})$, which is equal to 1 if abnormal net buys are positive in the two hours before the presentation (t_{-1}, t_{-2}) and -1 if they are negative.⁹ In each case, larger values of the $GAIN(t)$ variable indicate that investors tended to buy before positive returns and sell before negative returns based on their trading during the specific interval t .

4.3 Regression analysis

To test our hypotheses that selective access is associated with larger trade sizes (H1a and H1b), we estimate regressions of each change in trade size variable during various test intervals on the indicator variables for the presence of one-on-one meetings ($DIONI$), breakout sessions ($DBREAKOUT$), and a large number of controls.

$$CTRADESIZES_{it} = \alpha_t + \beta_{1t}DIONI_{it} + \beta_{2t}DBREAKOUT_{it} + \sum_{k=1}^{22} \beta_{kt}Control_{kit} + \varepsilon_{it}$$

where $CTRADESIZES = (CLAVGSIZES, CLGTRADES, CLGVOLS)$, α represents year and industry fixed effects, $t = (t_{-2}, t_{-1}, t_0, t_1, t_2)$, i =firms, and Control variables are described below

Under H1a, the coefficient for $DIONI$ should be positive when the dependent variable is measured for intervals before (t_{-2}, t_{-1}) and after (t_1, t_2) the presentation, which is when selective

⁹ If the period t_{-2} or t_2 does not occur on the same trading day, we compute abnormal net buys based only on t_{-1} or t_1 , respectively.

access occurs. Under H1b, the coefficient for *DBREAKOUT* should be positive only when the dependent variable is measured for intervals after (t_1, t_2) the presentation.

We also use this regression to provide descriptive evidence on whether selective access affects the reaction to the public presentation. If selective access in one-on-one meetings prior to the presentation has a complementary effect on trading during the presentation, the coefficient on *DIONI* should be positive when the dependent variable is measured during t_0 . In contrast, if selective access before or after the presentation has a substitution effect on trading during the presentation, the coefficient on *DIONI* and/or *DBREAKOUT* should be negative when the dependent variable is measured during t_0 .

To test our hypotheses that selective access is associated with larger potential future trading gains (H2a and H2b), we estimate regressions of each trading gain variable computed over various return horizons on the indicator variables for the presence of one-on-one meetings (*DIONI*), breakout sessions (*DBREAKOUT*), and a large number of controls.

$$GAIN(t)_{it} = \alpha_t + \beta_{1t}D1ON1_{it} + \beta_{2t}DBREAKOUT_{it} + \sum_{k=1}^{22} \beta_{kt}Control_{kit} + \varepsilon_{it}$$

where $GAIN(t) = (GAIN(t_1, t_2), GAIN(t_0), GAIN(t_{-1}, t_{-2}))$, α represents year and industry fixed effects, t = trading interval t , i =firms, and Control variables are described below

Under H2a, the coefficient for *DIONI* should be positive when $GAIN(t)$ is measured using abnormal net buys during intervals before (t_{-2}, t_{-1}) and after (t_1, t_2) the presentation. Under H2b, the coefficient for *DBREAKOUT* should be positive when $GAIN(t)$ is measured using abnormal net buys during intervals after (t_1, t_2) the presentation.

As in the earlier trade size regressions, any evidence that gains based on trading during the presentation ($GAIN(t_0)$) are significantly associated with either *DIONI* or *DBREAKOUT* would be evidence of a complement or substitution effect on investors' ability to profitably trade

during the actual presentation. An insignificant association would indicate that whatever information that is disclosed during the presentation does not lead to future trading gains for investors that also have selective access at some point outside of the presentation.

4.4 Control variables

We also include three sets of control variables in each regression. First, we include indicator variables for the highest ranking officer at the presentation: the CEO ($DCEO = 1$), the CFO ($DCFO = 1$), or a lower-level officer (the omitted group). This control ensures that our offline indicator variables are not proxying for the rank of the officer in attendance, which may also be related to selective access advantages.¹⁰ The CEO and CFO are the top ranking officers for 47.1% and 32.8% of presentations with offline access, respectively, compared to 46.2% and 31.2% of presentations without offline access, respectively.

Second, we control for the information content of the actual presentation. By including proxies for the information content, we control for any possible delayed or advance response to the information content of the presentation, making it more likely that results during the windows before and after the presentation are related to selective access advantages. We define the number of questions, $LNQUEST$, as the log of the number of questions and answers during the presentation. The transcript identifies every time the speaker changes and we count the number of changes as a proxy for the number of questions and answers. A greater number of questions during the presentation would suggest a greater demand for specific pieces of information by conference participants and, hence, a greater likelihood of more information being released during the formal presentation. We define the abnormal absolute returns during the presentation hour, $CABRETO$, as the absolute value of stock returns during the presentation

¹⁰ Each transcript provides the names and titles of all of the company representatives at the presentation. We use the title to classify the presentation based on the top ranking officer in attendance.

less the same variable for the firm at the same time one week prior, measured in percentage points. This variable captures the market's assessment of the information content of the presentation, and reflects not just the trading of investors at the conference, but any investor that is listening to the webcast. To control for the possibility that the trading is driven by a concurrent public information release, we collect earnings announcement dates, management forecasts, and Form 8-K filings (including Form 6-K filings for foreign registrants) for our sample firms. We create an indicator variable (*DINFO_EVENT*) that equals one if any of these three events occur during the day of the presentation and zero otherwise.

Finally, we include firm characteristics to control for any possible correlation between economic characteristics of the firm and the decision to provide offline access. Bushee, et al. (2011) shows a large number of firm characteristics are associated with invitations to present at conferences; thus, we include proxies for firm size, profitability, growth, risk, market visibility, age, and stock market activity. We measure size as the log of market value of equity (*LMV*) 30 days before the conference presentation. We include the percent ownership by institutional investors (*PIH*), defined as total shares owned by institutions divided by the total shares outstanding at the most recent calendar quarter end prior to the conference presentation, along with analyst following, defined as the log of one plus the number of analysts issuing earnings forecasts (*LNANL*) for any horizon during the calendar quarter prior to the conference presentation.¹¹ We proxy for recent stock market activity with the buy-and-hold market-adjusted stock return (*ANNMAR*) and the average monthly share turnover (*ANNTURN*) for the year prior to 30 days before the presentation. We include an indicator variable for companies headquartered outside the US (*DFORFIRM*). We proxy for profitability and growth using

¹¹ For both *PIH* and *LNANL*, we set the variable equal to zero for any period when the company is listed on an exchange but there is no data available.

several variables, including the earnings-price ratio (*EP*), dividend yield (*DP*), the book-to-price ratio (*BP*), the most recent change in net income (*CNI*) deflated by market value of equity, and the most recent annual sales growth (*SGR*). For market visibility, we use an indicator variable for whether the firm is listed on a Standard & Poor's index (*SPINDEX*). To proxy for the complexity of a firm's business, we include the ratio of intangible assets to total assets (*INTAN*). We measure firm risk with a debt-to-assets leverage ratio (*LEV*), the standard deviation of stock returns (*STD*), and beta (*BETA*). Finally, we include firm age (*LTIME*) as the log of the number of years the firm has been listed. Unless otherwise indicated, all control variables are measured for the fiscal or calendar year ended prior to the presentation.

5. Empirical Results

5.1 Descriptive statistics

Table 2, Panel A shows descriptive statistics for the offline access variables and all of the control variables. The CEO is the top ranking officer for 46.7% of the sample presentations and the CFO is top ranking at 32.1%; a lower-level functional officer is the top ranking at the remaining 21.2%. While these statistics suggests that the CEO generally attends conferences, it is also possible that transcripts are more likely to be archived when the CEO was in attendance. Panel A also shows that the average number of questions and answers is around 16 (*LNQUEST* = 2.8) and the interquartile range is between 9 and 32 interchanges. Thus, the presentations generally provide participants the opportunity to ask questions during the presentation. The mean and median abnormal absolute returns are 0.06% (0.05%), indicating that the abnormal return reaction to the public presentation is generally positive, but small in magnitude. Only 17% of presentations are accompanied by another public information event (e.g., earnings

announcement, management forecast, or Form 8-K filing). The sample firms tend to be large with high institutional ownership (mean = 76%), high analyst following (mean = 15 analysts), and positive market-adjusted returns in the prior year (mean = 1.4%). Sample firms also tend to have positive earnings and sales growth and a high level of intangibles (mean = 20% of assets).

In Panel B, we provide descriptive evidence on whether these control variables are associated with offline access. The dependent variable is *DOFFLINE*, which equals one if the company provides formal offline access (i.e., *DIONI* or *DBREAKOUT* equals one) and zero otherwise.¹² We include year and industry fixed effects in the regressions but do not report their coefficients. The results show that the company is more likely to send the CEO or CFO than a lower-level officer when there is formal offline access. Interestingly, the number of questions during the presentation is lower when the company provides offline access, suggesting that investors hold some questions for the offline meetings. Formal offline access is also positively associated with public information releases, suggesting that managers are more likely to issue public releases during offline access days to mitigate the risk of Reg FD violations. Larger firms with greater institutional ownership are more likely to agree to provide offline meetings, as are firms that are less visible (not on the S&P 500) and have been listed for longer. We will control for all of the variables in our regression analyses.

5.2 Results for selective access and trade sizes

5.2.1 Univariate evidence

Table 3 presents univariate results for the change in trade size variables (*CLAVGSIZE*, *CLGTRADE*, and *CLGVOL*) in the five intervals surrounding the presentation. Because we only use test intervals that occur on the same day as the presentation, the number of observations

¹² We estimated models using *DIONI* and *DBREAKOUT* as separate dependent variables and found similar results.

varies across test intervals, ranging from 5,792 for two hours after the presentation (t_2) to 7,668 for the hour of the presentation (t_0).

Panel A shows changes in trade sizes for the whole sample. Average trade sizes (*CLAVGFSIZE*) increase slightly in the two hours before the presentation and then become larger and more highly significant during the presentation and the two hours afterward. Changes in the percent of large trades (*CLGTRADE*) are significantly positive during the hour of the presentation and the hour immediately after, but not during other periods. Changes in volume due to large trades (*CLGVOL*) are significantly positive throughout the trading day of the presentation, indicating a general increase in trading volume of all sizes during the day. Notably, the measures tend to be larger in magnitude in the two hours after the presentation (t_1 and t_2) than in the hour of the presentation (t_0). This result suggests that participants at the conference are revising their beliefs about the firm to a greater degree after the presentation, consistent with our prediction that offline access to management provides selective access advantages to investors. However, there are possible alternative explanations for this result. The larger trades may be submitted during the presentation but not executed until later, or investors making large trades use some time after the presentation to perform additional analysis before execution.¹³ Both of these alternatives would be uncorrelated with the existence of offline access. Thus, our tests of offline access allow us to differentiate among these potential alternative explanations.

Panel B of Table 3 reports mean changes in trade sizes around the presentation conditioned on offline access. For companies providing one-on-one access to management, *CLAVGFSIZE* and *CLGVOL* are significantly positive in all periods from two hours before the

¹³ Prior work suggests that these delays in trades are not prevalent around information events. Cready (1988) shows that the speed by which market participants process new information releases is increasing in investor's wealth. In addition, the prior literature on conference calls suggests that traders, small and large, execute trades in real-time during the call period (Frankel, et al., 1999; Bushee, et al., 2003; 2004).

presentation to two hours after the presentation, and significantly greater than the changes in trade sizes for no offline access firms in all but one case. For *CLGTRADE*, the pattern is similar, but significant differences are concentrated in the hours immediately before and after the presentation. This evidence is consistent with H1a that one-on-one meetings provide selective access advantages before and after the presentation.

Firms providing breakout sessions experience significantly larger *CLAVGFSIZE* and *CLGVOL* than firms with no offline access only in the hours after the presentation. The results for *CLGTRADE* show greater magnitudes after the presentation also, but the differences are not significant in the univariate analysis. This evidence is largely consistent with H1b that breakout sessions concentrate the selective access advantages after the presentation.¹⁴

Panel C of Table 3 provides median changes in trade sizes around the presentation conditioned on offline access. Notably, the medians for *CLGTRADE* and *CLGVOL* are always zero, which is driven by the fact that between 10-15% of observations (depending on the time period) have no large trades in either the test or control period, and hence a zero change. However, the percent of positive changes are consistently larger than the percent of negative changes during selective access periods (not tabled). For example, in period t_1 , 42.5% (31.8%) percent of *CLGVOL* observations are positive (negative) for one-on-one meetings, 41.5% (36.9%) are positive (negative) for breakout sessions, and 39.8% (38.4%) are positive (negative) for presentations with offline meetings. These relative proportions result in significant Wilcoxon signed rank tests for greater increases for one-on-one and breakout sessions during selective access periods compared to presentations with no offline access. Overall, these results provide

¹⁴ To assess the economic significance of the mean changes in Panel B, we compute the percentage increase in the variable, using unlogged values for average trade size and volume due to large trades. Average trade sizes increase by 5% to 7% in the offline meeting periods; the percent of large trades (which is around 3% in the control periods) increases by 3% to 9%, and volume due to large trades increases by 9% to 20%.

univariate support for H1a and H1b that formal offline access is associated with selective access advantages that manifest in larger trade sizes.

5.2.2 Regression results

Table 4 presents regressions of the changes in trade sizes during various periods on indicator variables for offline access and the 22 control variables for characteristics of the presentation and the firm. We include year and industry fixed effects in the regressions but do not report their coefficients. All significance tests are based on clustered standard errors (Rogers, 1993) and are one-tailed for our hypothesized relations; two-tailed otherwise.

Panel A of Table 4 presents results for changes in average trade size (*CLAVGSIZE*). Among the control variables, the coefficient on the indicator for the presence of the CEO is positive and significant in the two hours after the presentation, suggesting the CEO's presence is associated with either delayed trading responses or another form of selective access advantage. Presentations with a greater number of questions and with larger absolute stock returns during the hour of the presentation exhibit significant increases in trade sizes after the presentation. This finding suggests that presentations with greater information content could result in delayed trading responses to the information or greater incentives to gather information after the presentation. Firms with concurrent public information releases experience significant increases in trade sizes before and during the presentation, but not after. Smaller, less visible firms with worse stock return performance in the prior year also have significantly higher trade sizes after the presentation, which again could reflect greater uncertainty about the presentation or incentives to gather information. This result also could reflect the Markov, et al. (2011) finding that analysts place smaller firms in the conference to hype them prior to initiating coverage.

Turning to the main results, the coefficient on the indicator for one-on-one meetings (*DIONI*) is significant and positive in all periods before and after the presentation. Thus, consistent with H1a, selective access through one-on-one meetings results in larger trades throughout the day compared to presentations without formal offline access. The coefficient on the indicator for breakout sessions (*DBREAKOUT*) is significantly positive only in the hour after the presentation when the breakout session occurs, consistent with H1b.

Panel B of Table 4 presents results for changes in the percent of large trades (*CLGTRADE*). Similar to the results for average trade sizes, the absolute stock return reaction during the presentation and presence of the CEO have a significantly positive impact on large trades after the presentation, whereas the number of questions does not. Few of the firm characteristics significantly explain changes in large trades around the presentation; the most significant and consistent result is that firms with lower return volatility experience greater changes in large trades, which could reflect a liquidity effect. The coefficient on *DIONI* is significant and positive in the periods before and after the presentation, consistent with H1a. Consistent with H1b, the coefficient on *DBREAKOUT* is positive and significant in the hours immediately after the presentation.

Panel C of Table 4 presents results for the change in volume due to large trades (*CLGVOL*). In this analysis, we also include the change in volume due to small trades (*CSMVOL*) as a control for overall volume changes during the day of the conference; its coefficient is positive and significant in every period. Similar to the results for percent of large trades, the absolute stock return reaction during the presentation and presence of the CEO have a significantly positive impact on large trades after the presentation. Also similar to the prior results, the coefficient on *DIONI* is significant and positive in the two periods before and after

the presentation, consistent with H1a. The coefficient on *DBREAKOUT* is positive and significant in the hours immediately after the presentation, consistent with H1b.¹⁵

Thus, the pattern of significant increases in trade sizes for all three measures exactly matches the time periods in which selective access occurs: before and after the presentation for one-on-ones and after for breakout sessions. This evidence provides consistent support for the selective access hypotheses over the alternative explanation of delayed trading responses to information in the presentation.¹⁶

In all three panels of Table 4, the coefficient on *DIONI* is also significantly positive during the presentation hour, whereas the coefficient on *DBREAKOUT* is positive, but not significantly different from zero. These results provide evidence suggesting a significant relation between selective access and the reaction to the public presentation. Rather than the selective access substituting for the information in the presentation, the evidence for one-on-one meetings suggests that investors with prior one-on-one access are updating their beliefs based on what they hear during the presentation, either based on the types of questions asked by other participants or the public answers provided by managers. Thus, prior selective access complements the information received during the public presentation, leading to larger trades sizes than for presentations without a prior selective access component.

5.2.3 Other measures

We examined a number of other volume and return measures to provide more insight into our results. First, we estimated the regressions with changes in total trading volume (not tabled).

¹⁵ We also estimated this model without the control for *CSMVOL*. All of the coefficients for *DIONI* and *DBREAKOUT* are the same sign and significant at the 0.10 level, except for the coefficient on *DIONI* in period t_2 , which is no longer significant.

¹⁶ As a robustness test, we estimated rank regressions. All of the results for *DIONI* and *DBREAKOUT* are similar to our main tests, and even a bit stronger in some cases, suggesting that our results are not driven by extreme observations or nonlinearities.

The coefficients on *DIONI* (*DBREAKOUT*) are positive and significant in all periods (in periods after the presentation), similar to the results for *CLGVOL*. However, unlike for *CLGVOL*, there is also a significantly higher change in trading volume for presentations accompanied by breakout session in the hour of the presentation (t_0) and the hour prior (t_{-1}). We also estimated the regressions with changes in volume due to small trades (*CSMVOL*) as the dependent variable. We find that the coefficients on both *DIONI* and *DBREAKOUT* are positive and significant in periods t_{-1} and t_0 , and insignificant in other periods. The significant increase in small trade volume prior to and during the presentation for breakout session conferences drives the overall increase in trading volume for the conference. The reason that small trades significantly increase before and during the actual presentation for selective access conferences is not clear. It could be due to the investors who don't have selective access, but realize that selective access is occurring, reducing their trade sizes in response to their information disadvantage. Or, it could be that selective access is associated with an omitted firm characteristic that attracts more retail investors around the time of the presentation.¹⁷ In any case, our results for large trades are robust to controlling for small trades.

We also estimated the regressions with various measures of changes in return volatility as dependent variables to test whether selective access has a significant contemporaneous impact on returns. We measured return volatility as 1) the absolute abnormal return during the five one-hour periods surrounding the presentation, 2) the coefficient of variation in price during the five

¹⁷ Although there is disagreement in the literature about whether a Heckman two-stage model is a better approach to control for selection issues than the inclusion of a large set of controls, we also estimated our results with this approach. We added conference size (i.e., the number of firms presenting at the conference) to a probit model with the other controls. Conference size significantly positively explains the conference's decision to provide offline access, but is generally uncorrelated with the change in trade size measures. When we include the Inverse Mills Ratio from the first stage as an additional control in the second stage regressions, the coefficients on *DIONI* and *DBREAKOUT* retain their signs and significance, with the exception of the results for periods t_2 and t_3 in the *CLGTRADE* regressions, but these results were only significant at the 0.10 level without the inclusion of the IMR.

periods (standard deviation of price divided by the mean price during a period), and 3) the difference between the high and low prices during the five periods. There was no significant evidence of selective access affecting return volatility in the periods of one-on-one meetings or breakout sessions (not tabled). This result indicates that the trading by investors with selective access does not impound their information into price, which is likely due to the fact that their trades are still a small portion of volume in firms that have highly liquid markets for their shares. The fact that trading by investors with selective access does not immediately impound their information into price suggests that trading gains due to delayed price reactions are possible in this setting, which we examine in the next section.

5.3 Results for selective access and potential trading gains

5.3.1 Univariate evidence

Table 5 presents univariate evidence on the profitability of trading during selective access periods. Panel A shows the mean and median $GAIN(t)$ for cumulative and nonoverlapping return windows for horizons between three and 252 trading days after the presentation for all sample firms. Regardless of whether the net buying occurred after ($GAIN(t_1, t_2)$), during ($GAIN(t_0)$), or before ($GAIN(t-1, t-2)$) the presentation, none of the values of $GAIN(t)$ are significantly different from zero at the 0.05 level, indicating that, on average, trading during the conference day does not lead to future gains at any point over the subsequent year.

Panels B and C of Table 5 show mean and median values of $GAIN(t)$ conditioned on formal offline access. If selective access provides profitable trading opportunities then net buys before and after the presentation should lead to trading gains for presentations with one-on-one meetings; i.e., $GAIN(t-1, t-2)$ and $GAIN(t_1, t_2)$ should exhibit significant positive trading gains over

some future window. For breakout sessions, only trading after the presentation should exhibit significant trading gains; i.e., $GAIN(t_1, t_2)$ is significant and positive over some future window.

As a benchmark, presentations with no formal offline access have either insignificant or significantly negative values of $GAIN(t)$ for horizons up to 30 days in the future. These negative trading gains for $GAIN(t_1, t_2)$ and $GAIN(t-1, t-2)$ suggest that trading outside of the presentation periods is likely uninformed due to the lack of formal offline meetings and tends to lead to some price pressure, followed by subsequent price reversals. The results for $GAIN(t_0)$ with no offline access are insignificant (except for an anomalous significant negative value between +7 and +9), consistent with the trading during the presentation immediately impounding any new information into price immediately.

For presentations with one-on-one meetings, there are positive and significant $GAIN(t_1, t_2)$ and $GAIN(t-1, t-2)$ of 0.30% in the 3-6 days after the presentation that is also significantly different from the presentations with no offline access. This evidence is consistent with H2a in showing that selective access through one-on-one meetings allows investors to make profitable trades. After nine days, the cumulative gain becomes negative, dropping to -1.26% over the year for $GAIN(t_1, t_2)$. However, none of the negative gains are significantly different from zero, either in cumulative or nonoverlapping windows. These results suggest that whatever information that investors glean from offline access is impounded into price within a very short window, mainly the first three days. After that, the gains are essentially noise that happens to have a negative mean, but a large standard error.

For presentations with breakout sessions, there is a positive $GAIN(t_1, t_2)$ for horizons up to 60 days that is only significantly different from zero in the thirty-day horizon (0.38%), but is significantly greater than the $GAIN(t_1, t_2)$ for presentations without offline access over the 3-, 30-,

and 60-day horizons. This result is consistent with H2b in showing that selective access advantages are also present in breakout sessions; although the evidence is not as strong as for one-on-one meetings. Again, there are negative gains over the entire year, but they are not significantly different from zero.

Overall, this evidence provides strong support for selective access leading to profitable trading opportunities. Significant trading gains are found for trading before and after the presentation, but not during the presentation, for firms with one-on-one meetings. In contrast, significant trading gains are only observed for trading after the presentation for firms with breakout sessions. Thus, we only find profitable trading for presentations with offline access, and only based on trading during the specific offline access periods.

5.3.2 Regression results

Table 6 presents results of regressions of $GAIN(t_1, t_2)$, $GAIN(t_0)$, and $GAIN(t-1, t-2)$ over the various post-presentation horizons on the indicators for offline access and all of the control variables from the prior analyses. All significance tests are based on clustered standard errors (Rogers, 1993) and are one-tailed for our hypothesized relations; two-tailed otherwise. While we estimated regressions for all of the windows reported in Table 5, we only report the (+1,+3) and (+4,+30) windows as these were the only horizons with significant gains in the univariate analysis (and, consistent with this, there are no significant results for *DIONI* and *DBREAKOUT* in the unreported regressions).

First, Table 6 shows that none of the control variables significantly explain $GAIN(t)$ at or below the 0.05 level in any of the specifications. This result is consistent with investors not being able to earn significant trading profits based on public information. The indicator for one-on-one meetings (*DIONI*) is positive and significant for the (+1, +3) window for $GAIN(t_1, t_2)$ and

$GAIN(t-1, t-2)$, consistent with the univariate evidence and H2a. The three-day $GAIN(t_1, t_2)$ ($GAIN(t-1, t-2)$) represents a 0.6% (0.4%) abnormal size-adjusted three-day return based on correctly trading during the selective access period. Thus, an investor with selective access to a series of ten one-one-one meetings during a year would earn an abnormal return of 4-6% over a total of 30 trading days.¹⁸ Given that conferences generally are not as important of an information event as an earnings announcement or management forecast (Bushee, et al. 2011), this magnitude likely represents a reasonable economic magnitude for potential trading gains.

The indicator for breakout sessions ($DBREAKOUT$) is positive and significant for the (+1, +3) and (+4, +30) windows for $GAIN(t_1, t_2)$, consistent with the univariate evidence and H2b. The $GAIN(t_1, t_2)$ is 0.3% after three days and 0.6% over the next 27 days; the cumulative 30-day $GAIN(t_1, t_2)$ is 0.8% (not tabled). Again, this result suggests that investors provided access to multiple breakout sessions during a year could earn significant trading profits.

Finally, there is no significant relation between offline access and $GAIN(t_0)$, indicating that selective access during other times of the day does not make the trading during the actual presentation profitable. Recall that Table 4 shows that prior selective access in one-on-one meetings does lead to larger trade sizes during the presentation. While prior selective access leads to subsequent belief revision during the presentation, such trades are not profitable, on average. This lack of profitability could be due to the larger trades impounding the information into price immediately due to the heightened attention on the firm during the presentation.

Alternatively, the large trades could be the investors cashing out of their position taken during the selective access period as the presentation itself impounds the information into price.

¹⁸ These returns would likely be in excess of transaction costs for our sample firms. Using trade data from 2003-11, Frazzini, Israel, and Moskowitz (2012) report mean transaction costs of 9-10 basis points for US NYSE/Amex firms. The future trading gains of 0.4-0.6% would be in excess of round-trip transaction costs of 0.18-0.20% for purchases and 0.09-0.10% for sales of existing shares, suggesting a net three-day trading profit of 0.2-0.5% per conference.

Overall, the evidence is consistent with formal offline access providing a selective access advantage that manifests not only in larger trades during the selective access period, but in potential future trading profits.

6. Conclusion

We investigate whether investors benefit from receiving selective access to management. While academics and regulators have found evidence that Reg FD “leveled the playing field” among investors by curtailing restricted-access conference calls and the selective disclosure of earnings forecasts, some invitation-only investor conferences still provide opportunities for a small group of participants to have selective access to management. Using this research setting, we can identify the specific times of formal offline meetings occurring either before or after a public presentation. This setting provides a powerful test of whether selective access to management allows investors to revise their beliefs and to execute profitable trades.

We find significant increases in trade sizes during the hours when firms provide offline access to investors, consistent with selective access leading to significant belief revision and trading by investors. We also find significant potential trading gains for firms providing offline access, suggesting such access is profitable for investors. While we cannot conclusively state that managers are selectively disclosing new information outside of the presentation, our evidence does suggest that investor conferences confer a selective access advantage on the buy-side investors that have been invited to attend. This evidence suggests that the playing field remains “unlevel” in places after Reg FD and raises questions about whether selective access meets the spirit of Reg FD in encouraging equal access to information across all investors.

Appendix
Transcript Examples of Selective Access

Panel A: Examples of references to one-on-one meetings

Beazer Homes USA Inc. at Goldman Sachs Housing Conference
Feb. 12. 2007 / 2:00PM ET

Unidentified Audience Member [94]

Going back to production rates, can you talk about what you are seeing in terms of the private home builders?...

Ian McCarthy, Beazer Homes - CEO [95]

I think generally that is true, but I think there is a lot of private builders that don't have the discipline that is imposed on us by reporting to the public markets and so they can get out of whack. **I told in the one-on-ones today** a private builder in Atlanta who hasn't spoken to me for three years, he has been having a great time asked to meet me this week [sic], so I am going to meet him on Wednesday and just what is up [sic] and try and get a view directly from a private builder. I think there will be a number of them out there who've built for wages; they get paid on the drawdown from their loans and that is how they really fund their business.

CSX at Deutsche Bank Securities Inc. Conference
Feb. 17. 2005 / 2:30PM ET

Oscar Munoz, CSX Corp - EVP & CFO [2]

Thanks. Good afternoon. **It's always nice to talk after four hours of one-on-one. ...**

Unidentified Audience Member [7]

Oscar, what are the three keys, as you see it, for tackling that operating issue -- operating ratio issue as we go through '05 and '06?

Oscar Munoz, CSX Corp - EVP & CFO [8]

I think first and foremost, it's really -- **and for those of you that have been in the one-on-ones today, I apologize for the redundancy.** But if you think of the thing we call the "one plan," if you think of a team that just got a new playbook, the one plan is the playbook. It's the diagram. It's the X's and O's of what you're supposed to do. That's in place. And we got a new coach and we got the new players, and so now we've got to practice. So we got a chance to practice it in the last half of last year and we had some success with it. And we had success in the kind of early and late fall and early winter. So the first quarter if you will. Now it's the second quarter and it's cold and not all aspects of that playbook work. I mean the long bomb doesn't work in icy fields, so we've got to learn to run shorter or whatever analogy I could use around that. And so I think sticking to that plan is critical for us in keeping true to the plan and the playbook that we've situated, first and foremost.

Appendix (Continued)
Transcript Examples of Selective Access

Panel B: Examples of references to subsequent breakout sessions

Freddie Mac at Bank of America Securities 37th Annual Investor Conference
Sep. 17. 2007 / 11:30AM ET

Buddy Pizsel, Freddie Mac - CFO [16]

Well, we look of our credit posturing by decile. **At the bottom decile is where the bulk of delinquencies, the bulk of the losses are. I don't have the rates with us. Maybe we can go to the breakout I can give that to you.** But there is concentration at the very low end of the book. The good news is a lot of that was purchased through the Alt A channel, a lot of it is on the Alt A side, and there we were able to price for it a lot better than we did in the overall book. I think we got to wrap, **so we'll go to the breakout and I can take further questions there.**

Gilead Sciences at BioCentury's: NewsMakers in the Biotech Industry Conference
Sep. 06. 2007 / 11:30AM ET

Unidentified Speaker [1]

Our next presenting company is Gilead Sciences, whose second quarter 2007 revenues increased 53%, over \$1 billion, driven largely by the growth of their HIV franchise, and they have two NDAs they're going to submit before the end of the year. Presenting for Gilead is the Executive Vice President of Commercial Operations, Kevin Young. **And immediately following, there will be a breakout session in room 301.**

Kevin Young, Gilead Sciences, Inc. - EVP of Commercial Operations [2]

...
Finally, in terms of HIV, this is data you know from our Phase II Elvitegravir study. We showed equivalence at our 50 and 125 mg dose. And in fact, the 125 mg dose showed very rapid antiviral effect and sustained antiviral effect when it was on the back -- when an optimized antiviral background therapy. **The question I'm sure that you will go into more detail in the breakout is, so, what are we doing in terms of moving to Phase III?**

....
Most of these milestones, I think, I have dealt with. **The one, I think, we'll talk a little bit more about in the breakout is, obviously, our European approval of Atripla.** We are still holding to our timeline of approval by the end of the year. We can discuss that in more detail.

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FIGURE 1
 Timeline Depiction of the Measurement Periods around the Conference Presentation
 and the Control Periods from the Prior Week

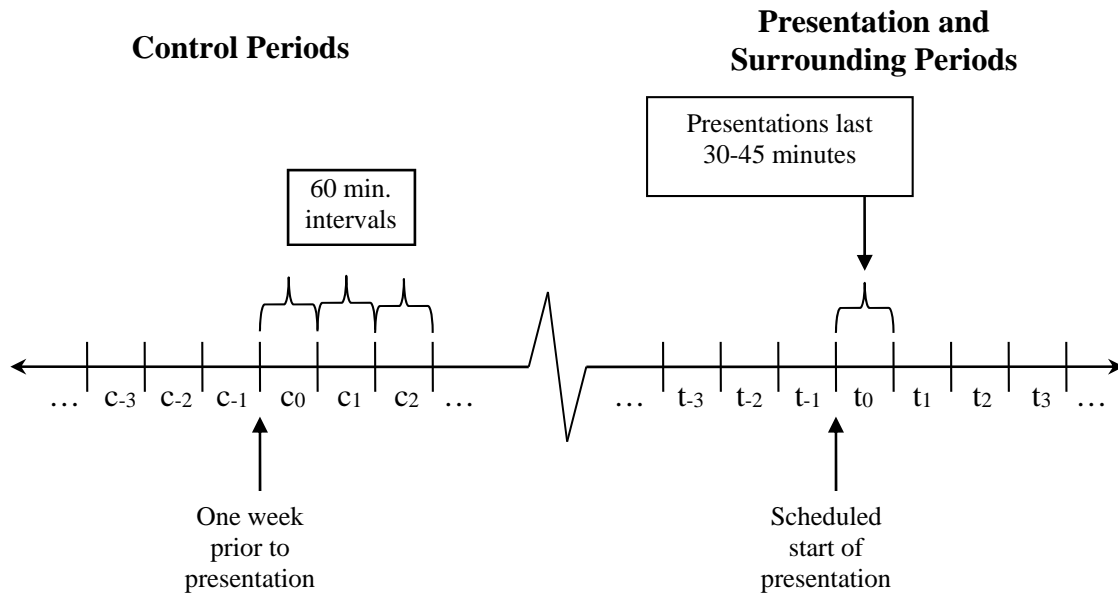


Figure 1 illustrates the measurement periods used for empirical tests. The time period t_0 represents the time from the start of the conference presentation to 59 minutes and 59 seconds later. The corresponding control period is exactly one week before; if the control period lands on a holiday, then the trading day immediately before the holiday is used. The process is the same for 2 one-hour trading intervals after the presentation and 2 trading intervals before the presentation. All variables are presented as change variables—the value during the test interval minus the value during the control interval.

TABLE 1
Sample Selection and Breakdown of Conference Presentations

Panel A: Sample Selection Criteria

	Presentations
Presentations between 2003 and 2008 with CRSP/Compustat	89,972
- Product market conferences	<u>(12,029)</u>
Capital market presentations	77,943
- Missing time stamp	(15,997)
- Outside of trading hours	<u>(22,663)</u>
Trading hours presentations	39,283
- Missing TAQ data	<u>(1,875)</u>
Presentations with TAQ data	37,408
- Missing transcript	<u>(29,740)</u>
Final sample	7,668

Panel B: Presentations by Year

	Presentations	Percent
2003	101	1.3%
2004	695	9.1%
2005	1,080	14.1%
2006	1,467	19.1%
2007	2,145	28.0%
<u>2008</u>	<u>2,180</u>	<u>28.4%</u>
Total	7,668	100.0%

Panel A of Table 1 presents the sample selection procedure. Panel B provides a breakdown of the sample by year.

TABLE 2
Descriptive Statistics for Conference Presentation and Firm Characteristics

Panel A: Descriptive Statistics

Variable	Mean	Std. Dev.	1 st Quartile	Median	3 rd Quartile
<i>DIONI</i>	0.147	0.353	0.000	0.000	0.000
<i>DBREAKOUT</i>	0.411	0.492	0.000	0.000	1.000
<i>DCEO</i>	0.467	0.499	0.000	0.000	1.000
<i>DCFO</i>	0.321	0.467	0.000	0.000	1.000
<i>LNQUEST</i>	2.796	0.944	2.197	2.944	3.497
<i>CABRETO</i>	0.062	1.020	-0.634	0.053	0.762
<i>DINFO_EVENT</i>	0.173	0.378	0.000	0.000	0.000
<i>LMV</i>	8.747	1.541	7.808	8.687	9.779
<i>PIH</i>	0.761	0.189	0.661	0.794	0.897
<i>LNANL</i>	2.729	0.533	2.398	2.773	3.091
<i>ANNMAR</i>	0.014	0.372	-0.205	-0.030	0.164
<i>ANNTURN</i>	0.235	0.169	0.115	0.185	0.301
<i>DFORFIRM</i>	0.032	0.176	0.000	0.000	0.000
<i>EP</i>	0.034	0.062	0.025	0.045	0.063
<i>DP</i>	0.010	0.015	0.000	0.001	0.015
<i>BP</i>	0.392	0.260	0.217	0.338	0.532
<i>CNI</i>	0.013	0.089	-0.005	0.007	0.022
<i>SGR</i>	0.186	0.389	0.048	0.116	0.227
<i>SPINDEX</i>	0.805	0.396	1.000	1.000	1.000
<i>INTAN</i>	0.199	0.199	0.025	0.135	0.325
<i>LEV</i>	0.219	0.192	0.058	0.192	0.316
<i>STD</i>	0.020	0.009	0.014	0.018	0.025
<i>BETA</i>	1.115	0.524	0.741	1.030	1.418
<i>LTIME</i>	2.872	0.874	2.303	2.858	3.555

TABLE 2 (Continued)
Descriptive Statistics for Conference Presentation and Firm Characteristics

Panel B: Logistic Regression

	<i>DOFFLINE =1</i>
<i>DCEO</i>	0.412 ***
<i>DCFO</i>	0.306 ***
<i>LNQUEST</i>	-0.872 ***
<i>CABRETO</i>	-0.034
<i>DINFO_EVENT</i>	0.241 ***
<i>LMV</i>	0.144 ***
<i>PIH</i>	0.557 ***
<i>LNANL</i>	0.051
<i>ANNMAR</i>	-0.035
<i>ANNTURN</i>	0.065
<i>DFORFIRM</i>	-0.235
<i>EP</i>	0.660
<i>DP</i>	-1.118
<i>BP</i>	-0.046
<i>CNI</i>	0.104
<i>SGR</i>	-0.008
<i>SPINDEX</i>	-0.298 ***
<i>INTAN</i>	0.102
<i>LEV</i>	0.057
<i>STD</i>	8.019 *
<i>BETA</i>	0.043
<i>LTIME</i>	0.116 ***
<i>Year Effects</i>	Included
<i>Industry Effects</i>	Included
<i>N</i>	7,668
<i>Pseudo-R²</i>	0.14

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed test.

TABLE 2 (Continued)
Descriptive Statistics for Conference Presentation and Firm Characteristics

Panel A of Table 2 presents descriptive statistics for the conference presentation and firm characteristics. The sample size for all variables is 7,668. *DIONI* equals 1 if the presentation occurred at a conference that provided one-on-one sessions, 0 otherwise. *DBREAKOUT* equals 1 if the presentation occurred at a conference that provided breakout sessions, 0 otherwise. *DCEO (DCFO)* equals 1 if a firm's presentation is made by the CEO (CFO), 0 otherwise. *LNQUEST* is the log of the number of questions asked during the Q&A portion of the presentation. *CABRETO* is the abnormal absolute return during the presentation period (t_0), computed as the absolute return in the presentation period less the absolute return in the same period one week prior, measured in percentage points. *DINFO_EVENT* equals 1 if an earnings announcement, management forecast, or Form 8-K/6-K filing occurs during the day of the presentation, 0 otherwise. *LMV* is the log of the market value of equity 30 days before the conference presentation. *PIH* is the percent ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, for the most recent calendar quarter end prior to the presentation. *LNANL* is the log of one plus number of analysts issuing earnings forecasts in the most recent calendar quarter prior to the presentation. *ANNMAR* is the buy-and-hold market-adjusted stock return over the year prior to 30 days before the presentation. *ANNTURN* is the average monthly share turnover, computed as volume divided by shares outstanding, for the year prior to 30 days before the presentation. *DFORFIRM* is an indicator variable set to 1 if the company is headquartered outside the U.S., 0 otherwise. *EP* is the earnings-to-price ratio, *DP* is the dividend-to-price ratio, *BP* is the book-to-price ratio, *CNI* is the change in net income deflated by market value of equity, *SGR* is the annual sales growth, *SPINDEX* is the indicator for listing on any S&P index, *INTAN* is the ratio of intangible assets to total assets, and *LEV* is the ratio of debt to total assets. Unless otherwise indicated, all control variables are measured for the fiscal year ended prior to the presentation. *STD* is the standard deviation of stock returns (from CRSP) for the year prior to the presentation. *BETA* is the beta (from CRSP) of the stock for the year prior to presentation. *LTIME* is the log of the number of years the company has been listed. Panel B of Table 2 presents a logistic regression of an indicator for offline access on the conference presentation and firm characteristics. *DOFFLINE* equals 1 if *DIONI* or *DBREAKOUT* equals 1, 0 otherwise. Year and industry effects are included, but not reported.

TABLE 3
Univariate Evidence of Changes in Trade Sizes around Presentations

Panel A: Mean and Median Changes in Average Trade Size (CLAVGSIIZE), Percent of Large Trades (CLGTRADE), and Volume due to Large Trades (CLGVOL)

Period	CLAVGSIIZE		CLGTRADE		CLGVOL		N
	Mean	Median	Mean	Median	Mean	Median	
t ₂	0.010 *	0.008 *	-0.005	0.000	0.306 ***	0.000 ***	6,249
t ₁	0.010 *	0.006 *	0.050	0.000	0.161 ***	0.000 ***	6,968
t ₀	0.018 ***	0.019 ***	0.072 **	0.000 ***	0.237 ***	0.000 ***	7,668
t ₁	0.029 ***	0.011 ***	0.087 ***	0.000 **	0.268 ***	0.000 ***	7,052
t ₂	0.021 ***	0.013 ***	0.046	0.000 **	0.398 ***	0.000 ***	5,792

Panel B: Mean Changes in CLAVGSIIZE, CLGTRADE, and CLGVOL by offline access

Period	CLAVGSIIZE			CLGTRADE			CLGVOL		
	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline
t ₂	0.043 *** ††	-0.001	0.009	0.089 †	0.011	-0.051	0.498 *** †††	0.287 ***	0.261 ***
t ₁	0.032 ** †	0.003	0.008	0.144 ** †	0.025	0.043	0.342 *** ††	0.155 **	0.106 *
t ₀	0.040 *** †	0.015 *	0.015 *	0.108 *	0.061	0.071 *	0.426 *** ††	0.233 ***	0.177 ***
t ₁	0.046 *** ††	0.037 *** ††	0.016 **	0.255 *** †††	0.090 *	0.028	0.428 *** ††	0.314 *** ††	0.171 ***
t ₂	0.045 *** ††	0.019 **	0.015 *	0.102	0.079	-0.003	0.439 ***	0.479 *** ††	0.310 ***

Panel C: Median Changes in CLAVGSIIZE, CLGTRADE, and CLGVOL by offline access

Period	CLAVGSIIZE			CLGTRADE			CLGVOL		
	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline
t ₂	0.016 *** ††	0.011	0.004	0.000	0.000	0.000	0.000 *** †††	0.000 *	0.000
t ₁	0.023 *** †	0.007	-0.001	0.000 **	0.000	0.000	0.000 *** †††	0.000 ***	0.000 *
t ₀	0.034 ***	0.019 **	0.015 ***	0.000	0.000 **	0.000 *	0.000 *** †††	0.000 ***	0.000 ***
t ₁	0.026 *** †††	0.012 *** ††	0.004	0.000 *** †††	0.000 †	0.000	0.000 *** †††	0.000 *** ††	0.000 **
t ₂	0.036 *** ††	0.021 **	0.004	0.000 *** ††	0.000 *** †††	0.000	0.000 *** †	0.000 *** ††	0.000 **

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed t-test (means) and a Wilcoxon signed rank test (medians).

†, ††, ††† Significantly greater than no offline at the 0.10, 0.05, and 0.01 level, respectively, using a one-tailed test.

TABLE 3 (Continued)
Univariate Evidence of Changes in Trade Sizes around Presentations

Table 3 presents changes in trade sizes for five one-hour test intervals around the presentation. Change in average trade size (*CLAVGFSIZE*) is defined as the log of the average trade size during the test interval minus the log of the average trade size in the control interval. Trade sizes are measured in number of shares. Change in the percent of large trades (*CLGTRADE*) is defined as the percent of large trades in the test interval minus the percent in the control interval. We measure the percent of large trades as the number of large trades divided by total trades and express the variable in percentage points. We classify large trades to be those greater than \$50,000, using the stock price at the beginning of the time interval to determine total trade value. Change in large volume (*CLGVOL*) is defined as the log of trading volume due to large trades during a one-hour test interval, minus the log of trading volume due to large trades during the control interval. We winsorize outliers at 1% of each tail for these variables. Panel A shows the mean and median changes by test period (t_1 to t_2). Panel B shows the mean changes conditioned on offline access and Panel C shows the median changes conditioned on offline access.

TABLE 4

Regression of Changes in Trade Sizes on Presentation and Firm Characteristics by Period

Panel A: Dependent Variable is Change in Average Trade Size (CLAVGSIZE)

	Pred. Sign	Time Period Relative to Presentation Hour (t ₀)				
		t-2	t-1	t ₀	t ₁	t ₂
<i>DIONI</i>	+ pre/post t ₀	0.040 ** (2.15)	0.034 ** (1.80)	0.049 *** (2.95)	0.035 ** (2.02)	0.040 ** (2.16)
<i>DBREAKOUT</i>	+ post t ₀	-0.008 (-0.62)	0.004 (0.28)	0.018 (1.54)	0.025 ** (1.94)	0.015 (1.06)
<i>DCEO</i>		-0.002 (-0.11)	0.010 (0.66)	0.001 (0.07)	0.024 * (1.69)	0.033 ** (1.98)
<i>DCFO</i>		-0.021 (-1.28)	0.013 (0.81)	-0.012 (-0.81)	0.007 (0.46)	0.012 (0.71)
<i>LNQUEST</i>		0.002 (0.36)	0.012 * (1.78)	0.025 *** (4.31)	0.011 * (1.73)	0.012 * (1.77)
<i>CABRETO</i>		0.002 (0.40)	0.003 (0.48)	0.026 *** (5.29)	0.013 *** (2.57)	0.006 (1.01)
<i>DINFO_EVENT</i>		0.009 (0.61)	0.024 * (1.68)	0.028 ** (2.05)	0.012 (0.85)	0.012 (0.75)
<i>LMV</i>		-0.002 (-0.25)	-0.003 (-0.43)	0.001 (0.15)	-0.013 ** (-2.10)	0.004 (0.54)
<i>PIH</i>		-0.039 (-0.92)	0.004 (0.11)	0.048 (1.37)	-0.003 (-0.10)	0.013 (0.33)
<i>LNANL</i>		-0.009 (-0.48)	-0.012 (-0.69)	-0.040 ** (-2.43)	0.001 (0.07)	-0.014 (-0.74)
<i>ANNMAR</i>		-0.048 *** (-2.83)	-0.031 ** (-1.97)	-0.060 *** (-4.02)	-0.044 ** (-2.54)	-0.011 (-0.60)
<i>ANNTURN</i>		0.042 (0.89)	0.095 ** (2.18)	0.089 ** (2.33)	-0.054 (-1.31)	-0.008 (-0.17)
<i>DFORFIRM</i>		0.035 (0.97)	0.043 (1.19)	0.046 (1.27)	-0.059 * (-1.85)	0.030 (0.83)
<i>EP</i>		-0.020 (-0.15)	0.002 (0.02)	-0.057 (-0.52)	-0.088 (-0.76)	0.027 (0.23)
<i>DP</i>		0.345 (0.76)	0.060 (0.14)	-0.026 (-0.07)	-0.509 (-1.19)	-0.107 (-0.23)
<i>BP</i>		-0.011 (-0.36)	-0.043 * (-1.67)	-0.027 (-1.17)	0.042 (1.63)	-0.027 (-0.94)
<i>CNI</i>		0.114 (1.30)	0.081 (1.28)	0.009 (0.14)	-0.014 (-0.19)	0.076 (1.01)
<i>SGR</i>		0.039 ** (2.06)	-0.005 (-0.23)	0.023 (1.50)	-0.009 (-0.62)	-0.002 (-0.10)
<i>SPINDX</i>		-0.009 (-0.46)	-0.013 (-0.66)	-0.012 (-0.64)	-0.043 ** (-2.27)	-0.002 (-0.11)
<i>INTAN</i>		0.038 (1.00)	0.056 (1.43)	-0.010 (-0.30)	0.018 (0.50)	-0.015 (-0.42)
<i>LEV</i>		0.003 (0.07)	-0.003 (-0.10)	-0.068 ** (-2.24)	-0.027 (-0.79)	0.033 (0.94)
<i>STD</i>		-0.933 (-0.78)	-0.596 (-0.56)	-2.687 *** (-2.73)	-2.079 * (-1.90)	0.641 (0.52)
<i>BETA</i>		-0.002 (-0.12)	-0.011 (-0.77)	0.000 (-0.01)	0.017 (1.18)	-0.007 (-0.43)
<i>LTIME</i>		0.009 (0.99)	0.001 (0.10)	0.000 (-0.03)	0.003 (0.35)	-0.012 (-1.20)
<i>Year Effects</i>		Included	Included	Included	Included	Included
<i>Industry Effects</i>		Included	Included	Included	Included	Included
<i>N</i>		6,249	6,968	7,668	7,052	5,792
<i>Adjusted R²</i>		0.01	0.01	0.02	0.02	0.01

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a one-tailed test for predicted changes; two-tailed otherwise (t-statistics reported in parentheses).

TABLE 4 (Continued)

Regression of Changes in Trade Sizes on Presentation and Firm Characteristics by Period

Panel B: Dependent Variable is Change in Percent of Large Trades (CLGTRADE)

	Pred. Sign	Time Period Relative to Presentation Hour (t ₀)				
		t-2	t-1	t ₀	t ₁	t ₂
<i>DIONI</i>	+ pre/post t ₀	0.164 * (1.48)	0.168 ** (1.82)	0.155 * (1.77)	0.345 *** (3.38)	0.154 * (1.36)
<i>DBREAKOUT</i>	+ post t ₀	0.098 (0.97)	0.045 (0.56)	0.074 (1.01)	0.137 ** (1.65)	0.165 * (1.53)
<i>DCEO</i>		0.079 (0.68)	0.071 (0.73)	0.074 (0.90)	0.155 * (1.70)	0.171 (1.42)
<i>DCFO</i>		-0.031 (-0.27)	-0.016 (-0.16)	-0.066 (-0.78)	0.011 (0.13)	0.013 (0.11)
<i>LNQUEST</i>		0.007 (0.14)	0.072 * (1.73)	0.098 *** (2.70)	0.058 (1.33)	0.026 (0.45)
<i>CABRETO</i>		0.012 (0.36)	0.040 (1.40)	0.196 *** (6.99)	0.165 *** (4.91)	0.076 ** (2.05)
<i>DINFO_EVENT</i>		0.103 (0.95)	0.127 (1.45)	0.143 * (1.71)	0.052 (0.57)	0.029 (0.31)
<i>LMV</i>		0.053 (0.98)	0.000 (0.00)	-0.031 (-0.85)	-0.030 (-0.70)	-0.036 (-0.71)
<i>PIH</i>		0.253 (0.94)	-0.056 (-0.26)	0.040 (0.21)	0.163 (0.81)	-0.006 (-0.02)
<i>LNANL</i>		-0.288 ** (-2.08)	-0.166 (-1.48)	-0.096 (-1.00)	-0.053 (-0.51)	0.003 (0.03)
<i>ANNMAR</i>		-0.178 * (-1.67)	-0.057 (-0.61)	-0.069 (-0.81)	-0.047 (-0.45)	-0.042 (-0.40)
<i>ANNTURN</i>		0.235 (0.74)	0.412 (1.31)	0.228 (0.99)	0.077 (0.33)	-0.255 (-0.95)
<i>DFORFIRM</i>		0.112 (0.37)	0.051 (0.21)	-0.062 (-0.27)	0.137 (0.61)	-0.016 (-0.06)
<i>EP</i>		0.437 (0.68)	0.794 (1.46)	0.530 (1.14)	0.100 (0.19)	-1.546 * (-1.81)
<i>DP</i>		-1.445 (-0.52)	-1.808 (-0.74)	-0.952 (-0.42)	-5.263 ** (-2.24)	-0.564 (-0.23)
<i>BP</i>		0.292 (1.62)	0.287 * (1.89)	0.006 (0.05)	0.185 (1.20)	0.193 (1.28)
<i>CNI</i>		0.560 (1.10)	-0.014 (-0.04)	0.095 (0.25)	-0.542 (-1.47)	0.793 (1.60)
<i>SGR</i>		0.022 (0.30)	0.092 (1.00)	0.000 (-0.01)	-0.026 (-0.56)	-0.079 (-1.13)
<i>SPINDX</i>		-0.260 * (-1.77)	-0.070 (-0.61)	-0.071 (-0.74)	-0.066 (-0.64)	-0.058 (-0.47)
<i>INTAN</i>		0.272 (0.92)	-0.103 (-0.52)	0.111 (0.65)	-0.125 (-0.65)	-0.061 (-0.20)
<i>LEV</i>		0.032 (0.14)	0.159 (0.93)	-0.305 ** (-1.98)	-0.092 (-0.51)	-0.175 (-0.70)
<i>STD</i>		-13.314 ** (-2.10)	-12.970 ** (-2.31)	-13.206 *** (-2.58)	-15.691 *** (-2.91)	-11.431 (-1.49)
<i>BETA</i>		0.146 (1.04)	0.022 (0.27)	-0.012 (-0.16)	0.095 (1.14)	0.063 (0.57)
<i>LTIME</i>		0.024 (0.33)	0.000 (0.00)	-0.014 (-0.31)	0.021 (0.40)	-0.006 (-0.09)
<i>Year Effects</i>		Included	Included	Included	Included	Included
<i>Industry Effects</i>		Included	Included	Included	Included	Included
<i>N</i>		6,249	6,968	7,668	7,052	5,792
<i>Adjusted R²</i>		0.01	0.01	0.02	0.02	0.01

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a one-tailed test for predicted changes; two-tailed otherwise (t-statistics reported in parentheses).

TABLE 4 (Continued)

Regression of Changes in Trade Sizes on Presentation and Firm Characteristics by Period

Panel C: Dependent Variable is Change in Volume due to Large Trades (CLGVOL)

	Pred. Sign	Time Period Relative to Presentation Hour (t ₀)				
		t-2	t-1	t ₀	t ₁	t ₂
<i>DIONI</i>	+ pre/post t ₀	0.164 *** (2.48)	0.149 *** (2.36)	0.141 ** (2.10)	0.202 *** (3.06)	0.128 ** (1.77)
<i>DBREAKOUT</i>	+ post t ₀	-0.011 (-0.24)	0.032 (0.71)	0.065 (1.36)	0.097 ** (2.01)	0.135 *** (2.49)
<i>CSMVOL</i>		0.482 *** (6.52)	0.573 *** (6.88)	0.581 *** (7.03)	0.547 *** (7.54)	0.503 *** (4.80)
<i>DCEO</i>		0.037 (0.65)	0.055 (1.06)	0.018 (0.33)	0.103 * (1.92)	0.092 (1.53)
<i>DCFO</i>		-0.038 (-0.64)	0.032 (0.58)	-0.023 (-0.41)	0.013 (0.24)	0.090 (1.44)
<i>LNQUEST</i>		-0.013 (-0.55)	0.019 (0.84)	0.051 ** (2.31)	0.021 (0.81)	0.025 (0.93)
<i>CABRETO</i>		0.016 (0.87)	0.011 (0.55)	0.120 *** (5.02)	0.060 *** (2.80)	0.067 *** (2.78)
<i>DINFO_EVENT</i>		0.080 (1.42)	0.067 (1.26)	0.168 *** (3.02)	0.046 (0.83)	0.122 * (1.86)
<i>LMV</i>		-0.005 (-0.20)	-0.015 (-0.70)	-0.051 ** (-2.14)	-0.058 ** (-2.32)	0.038 (1.40)
<i>PIH</i>		-0.075 (-0.56)	0.040 (0.32)	0.151 (1.16)	0.234 * (1.69)	0.123 (0.78)
<i>LNANL</i>		-0.013 (-0.20)	-0.077 (-1.36)	-0.078 (-1.30)	0.051 (0.78)	-0.122 * (-1.71)
<i>ANNMAR</i>		-0.028 (-0.50)	-0.061 (-1.15)	-0.075 (-1.33)	-0.093 (-1.53)	-0.085 (-1.28)
<i>ANNTURN</i>		0.190 (1.15)	0.371 ** (2.32)	0.497 *** (3.08)	0.123 (0.73)	0.110 (0.61)
<i>DFORFIRM</i>		0.079 (0.62)	0.076 (0.66)	0.178 (1.54)	-0.072 (-0.62)	-0.046 (-0.36)
<i>EP</i>		0.500 (1.18)	0.532 (1.42)	0.137 (0.35)	0.150 (0.34)	-0.258 (-0.60)
<i>DP</i>		-1.344 (-0.79)	-1.009 (-0.64)	-1.270 (-0.80)	0.499 (0.28)	-1.170 (-0.64)
<i>BP</i>		0.069 (0.68)	-0.067 (-0.77)	-0.095 (-1.02)	0.048 (0.48)	0.101 (1.03)
<i>CNI</i>		0.097 (0.40)	-0.023 (-0.10)	-0.126 (-0.52)	-0.246 (-0.92)	-0.033 (-0.12)
<i>SGR</i>		0.045 (0.88)	-0.050 (-0.91)	0.015 (0.33)	-0.103 ** (-2.29)	-0.029 (-0.43)
<i>SPINDX</i>		-0.053 (-0.72)	-0.078 (-1.13)	-0.050 (-0.69)	-0.111 (-1.44)	-0.078 (-0.95)
<i>INTAN</i>		0.027 (0.19)	0.028 (0.21)	0.182 (1.54)	0.165 (1.19)	-0.062 (-0.45)
<i>LEV</i>		0.096 (0.71)	0.092 (0.78)	-0.217 * (-1.81)	0.024 (0.18)	-0.113 (-0.82)
<i>STD</i>		-3.057 (-0.71)	-8.482 ** (-2.29)	-12.855 *** (-3.50)	-5.583 (-1.38)	0.512 (0.11)
<i>BETA</i>		0.073 (1.36)	0.003 (0.06)	0.102 ** (2.03)	-0.013 (-0.23)	-0.066 (-1.15)
<i>LTIME</i>		0.048 (1.42)	-0.007 (-0.25)	0.045 (1.51)	-0.022 (-0.66)	-0.044 (-1.21)
<i>Year/Indus Eff.</i>		Included	Included	Included	Included	Included
<i>N</i>		6,249	6,968	7,668	7,052	5,792
<i>Adjusted R²</i>		0.09	0.10	0.12	0.11	0.09

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a one-tailed test for predicted changes; two-tailed otherwise (t-statistics reported in parentheses).

TABLE 4 (Continued)**Regression of Changes in Trade Sizes on Presentation and Firm Characteristics by Period**

Table 4 presents results of regressions of changes in trade sizes on the presentation and firm characteristics by period. Time periods t_{-2} to t_2 are the five one-hour periods surrounding the presentation (t_0). Change in average trade size (*CLAVGSIZE*) is defined as the log of the average trade size during the test interval minus the log of the average trade size in the control interval. Trade sizes are measured in number of shares. Change in the percent of large trades (*CLGTRADE*) is defined as the percent of large trades in the test interval minus the percent in the control interval. We measure the percent of large trades as the number of large trades divided by total trades and express the variable in percentage points. We classify large trades to be those greater than \$50,000, using the stock price at the beginning of the time interval to determine total trade value. Change in large volume (*CLGVOL*) is defined as the log of trading volume due to large trades during a one-hour test interval, minus the log of trading volume due to large trades during the control interval. We winsorize outliers at 1% of each tail for these variables. *DIONI* equals 1 if the presentation occurred at conference that provided one-on-one sessions, 0 otherwise. *DBREAKOUT* equals 1 if the presentation occurred at conference that provided breakout sessions, 0 otherwise. *DCEO (DCFO)* equals 1 if a firm's presentation is made by the CEO (CFO), 0 otherwise. *LNQUEST* is the log of the number of questions asked during the Q&A portion of the presentation. *CABRETO* is the abnormal absolute return during the presentation period (t_0), computed as the absolute return in the presentation period less the absolute return in the same period one week prior, measured in percentage points. *DINFO_EVENT* equals one if an earnings announcement, management forecast, or Form 8-K/6-K filing occurs during the day of the presentation, 0 otherwise. *LMV* is the log of the market value of equity 30 days before the conference presentation. *PIH* is the percent ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, for the most recent calendar quarter end prior to the presentation. *LNANL* is the log of one plus number of analysts issuing earnings forecasts in the most recent calendar quarter prior to the presentation. *ANNMAR* is the buy-and-hold market-adjusted stock return over the year prior to 30 days before the presentation. *ANNTURN* is the average monthly share turnover, computed as volume divided by shares outstanding, for the year prior to 30 days before the presentation. *DFORFIRM* is an indicator variable set to 1 if the company is headquartered outside the U.S., 0 otherwise. *EP* is the earnings-to-price ratio, *DP* is the dividend-to-price ratio, *BP* is the book-to-price ratio, *CNI* is the change in net income deflated by market value of equity, *SGR* is the annual sales growth, *SPINDEX* is the indicator for listing on any S&P index, *INTAN* is the ratio of intangible assets to total assets, and *LEV* is the ratio of debt to total assets. Unless otherwise indicated, all control variables are measured for the fiscal year ended prior to the presentation. *STD* is the standard deviation of stock returns (from CRSP) for the year prior to the presentation. *BETA* is the beta (from CRSP) of the stock for the year prior to presentation. *LTIME* is the log of the number of years the company has been listed. Year and industry effects are included, but not reported.

TABLE 5
Univariate Evidence on Post-Presentation Trading Gains

Panel A: Mean and Median GAIN(t) for horizons between three and 252 trading days after the presentation

Horizon	GAIN(t ₁ , t ₂)			GAIN(t ₀)			GAIN(t-1, t-2)		
	Mean	Median	N	Mean	Median	N	Mean	Median	N
(+1,+3)	-0.0003	0.0003	7,052	-0.0002	0.0000	7,668	-0.0006	-0.0008	6,968
(+1,+6)	0.0004	0.0005	7,052	-0.0005	-0.0003	7,668	-0.0008	-0.0007	6,968
(+1,+9)	0.0003	0.0008	7,052	-0.0008	-0.0011	7,668	-0.0009	-0.0007	6,968
(+1,+30)	-0.0005	-0.0003	7,052	-0.0010	-0.0012	7,668	0.0012	-0.0004	6,968
(+1,+60)	-0.0007	0.0000	7,052	0.0013	0.0012	7,668	0.0040 *	0.0041	6,968
(+1,+252)	-0.0042	-0.0007	7,052	0.0005	0.0049	7,668	0.0044	0.0039	6,968
(+4,+6)	0.0007	0.0003	7,052	-0.0002	-0.0001	7,668	-0.0002	-0.0003	6,968
(+7,+9)	-0.0003	-0.0001	7,052	-0.0003	-0.0005	7,668	-0.0003	-0.0001	6,968
(+10,+30)	-0.0008	-0.0003	7,052	-0.0003	0.0006	7,668	0.0021	0.0009	6,968
(+4,+30)	-0.0002	0.0001	7,052	-0.0012	-0.0003	7,668	0.0018	0.0011	6,968
(+31,+60)	-0.0002	-0.0001	7,052	0.0020 *	0.0024 *	7,668	0.0028	0.0028 **	6,968
(+61,+252)	-0.0035	0.0008	7,052	-0.0010	0.0003	7,668	0.0005	0.0016	6,968

Panel B: Mean GAIN(t) for horizons between three and 252 trading days after the presentation by offline access

Horizon	GAIN(t ₁ , t ₂)			GAIN(t ₀)			GAIN(t-1, t-2)		
	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline
(+1,+3)	0.0030 **†††	0.0003 ††	-0.0019 **	0.0001	0.0000	-0.0005	0.0030 **†††	-0.0001	-0.0023 ***
(+1,+6)	0.0037 **††	0.0007	-0.0009	-0.0005	-0.0001	-0.0009	0.0031 *†††	-0.0003	-0.0026 **
(+1,+9)	0.0028 †	0.0013	-0.0014	-0.0013	0.0004	-0.0018 *	0.0026 ††	0.0003 †	-0.0033 ***
(+1,+30)	-0.0008	0.0038 **†††	-0.0044 **	-0.0011	0.0006	-0.0024	0.0054 ††	0.0033	-0.0022
(+1,+60)	-0.0036	0.0032 †	-0.0034	-0.0026	0.0037	0.0003	-0.0024	0.0060	0.0043
(+1,+252)	-0.0126	-0.0029	-0.0026	-0.0154	0.0060	0.0008	-0.0073	0.0115	0.0019
(+4,+6)	0.0006	0.0006	0.0007	-0.0009	0.0001	-0.0002	0.0005	0.0000	-0.0007
(+7,+9)	-0.0013	0.0007 †	-0.0008	0.0001	0.0004	-0.0010 *	-0.0001	0.0006	-0.0012
(+10,+30)	-0.0036	0.0025 ††	-0.0030 *	0.0002	-0.0004	-0.0004	0.0028	0.0030	0.0010
(+4,+30)	-0.0038	0.0035 *††	-0.0025	-0.0012	0.0001	-0.0023	0.0025	0.0034	0.0000
(+31,+60)	-0.0028	-0.0006	0.0010	-0.0030	0.0031	0.0027	-0.0078 ††	0.0027	0.0065 ***
(+61,+252)	-0.0090	-0.0060	0.0009	-0.0126	0.0022	0.0000	-0.0050	0.0055	-0.0024

TABLE 5 (continued)
Univariate Evidence on Post-Presentation Trading Gains

Panel C: Median $GAIN(t)$ for horizons between three and 252 trading days after the presentation by offline access

Horizon	$GAIN(t_1, t_2)$			$GAIN(t_0)$			$GAIN(t-1, t-2)$		
	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline	1-on-1	Breakout	No Offline
(+1,+3)	0.0011 †	0.0008 †	-0.0003	0.0010	-0.0001	-0.0003	0.0007 *†††	-0.0012	-0.0009 **
(+1,+6)	0.0004	0.0012 *†	0.0002	0.0000	-0.0002	-0.0005	0.0013 *†††	-0.0014	-0.0009 **
(+1,+9)	0.0015	0.0014 *†	0.0001	-0.0012	-0.0004	-0.0017 **	0.0015 ††	0.0003	-0.0018 **
(+1,+30)	-0.0059	0.0044 **†††	-0.0023 *	-0.0034	-0.0019	0.0001	0.0055 ††	0.0008 †	-0.0030 **
(+1,+60)	-0.0003	0.0021 *	-0.0011	-0.0021	0.0048	-0.0005	0.0010	0.0038	0.0049
(+1,+252)	-0.0051	0.0081	-0.0085	-0.0129	0.0096	0.0069	-0.0039	0.0050	0.0064
(+4,+6)	-0.0004	0.0005 *	0.0004	-0.0019	-0.0001	0.0003	-0.0003	-0.0002	-0.0004
(+7,+9)	0.0001	0.0000	-0.0005	-0.0006	0.0003	-0.0012 **	-0.0010	0.0004	-0.0003
(+10,+30)	-0.0031	0.0026 †††	-0.0022 *	-0.0008	-0.0003	0.0019	0.0016	0.0024	0.0000
(+4,+30)	-0.0039	0.0033 ††	-0.0009	-0.0009	0.0004	-0.0010	0.0012	0.0034	-0.0008
(+31,+60)	-0.0005	0.0007	-0.0009	-0.0041	0.0039	0.0020 *	-0.0004 ††	0.0014 †	0.0054 ***
(+61,+252)	-0.0038	0.0011	0.0018	-0.0156	0.0047	0.0032	-0.0057	0.0056	0.0012

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a two-tailed t-test (means) and a Wilcoxon signed rank test (medians).

†, ††, ††† Significantly greater than no offline at the 0.10, 0.05, and 0.01 level, respectively, using a one-tailed test

Table 5 presents univariate evidence on the post-presentation profitability of trading during selective access periods. To compute the potential post-presentation trading gains ($GAIN(t)$), we multiply the $NETBUY(t)$ indicator times the buy-and-hold size-adjusted returns (SAR) over various windows subsequent to the selective access period. We set the indicator variable $NETBUY(t)$ equal to 1 if abnormal net buys are positive during the event period (t) and -1 otherwise. We identify each trade as a buy or sell using the Lee and Ready (1991) algorithm with a zero-second delay between trades and quotes (Rogers, 2008). We compute size-adjusted returns by compounding the firm's raw return starting with the stock price two hours after the presentation (or at the end of the day if it comes first) and ending at horizons three, 6, 9, 30, 60, and 252 trading days after the presentations. We subtract the returns for the firm's size decile from these returns, where we start the compounding for the size portfolio at the start of the presentation date. A positive value of $GAIN(t)$ indicates that investors were buying (selling) during the selective access period and subsequent abnormal returns for the firm were positive (negative). Panel A shows the mean and median $GAIN(t)$ for cumulative and nonoverlapping return windows for horizons between three and 252 trading days after the presentation for all sample presentations. Panel B shows mean values of $GAIN(t)$ conditioned on offline access and Panel C shows median values of $GAIN$ conditioned on offline access.

TABLE 6
Regression of Post-Presentation Trading Gains on Presentation and Firm Characteristics

	Pred	<i>GAIN(t₁, t₂)</i>		Pred	<i>GAIN(t₀)</i>		Pred	<i>GAIN(t-1, t-2)</i>	
		(+1,+3)	(+4,+30)		(+1,+3)	(+4,+30)		(+1,+3)	(+4,+30)
<i>DIONI</i>	+	0.006 *** (2.96)	-0.001 (-0.25)	0.001 (0.35)	0.002 (0.33)	+	0.004 ** (1.98)	0.001 (0.16)	
<i>DBREAKOUT</i>	+	0.003 ** (2.29)	0.006 ** (1.80)	0.001 (0.72)	0.001 (0.46)		0.001 (0.53)	0.003 (0.84)	
<i>DCEO</i>		-0.001 (-0.86)	0.001 (0.24)	0.001 (0.67)	0.000 (0.04)		-0.001 (-0.47)	0.002 (0.54)	
<i>DCFO</i>		-0.003 * (-1.73)	-0.002 (-0.52)	0.000 (-0.15)	0.001 (0.26)		-0.001 (-0.49)	0.004 (0.94)	
<i>LNQUEST</i>		0.001 (0.81)	0.000 (0.03)	-0.001 (-0.89)	0.000 (0.11)		-0.001 (-1.45)	-0.001 (-0.34)	
<i>CABRETO</i>		0.000 (0.23)	0.002 (1.06)	0.000 (0.43)	0.001 (0.51)		0.000 (-0.05)	0.001 (0.87)	
<i>DINFO_EVENT</i>		-0.001 (-0.34)	-0.002 (-0.52)	0.000 (0.21)	-0.001 (-0.30)		0.000 (0.20)	-0.002 (-0.43)	
<i>LMV</i>		-0.001 (-1.28)	0.000 (0.08)	0.001 (1.63)	-0.001 (-0.37)		-0.001 (-0.89)	-0.001 (-0.66)	
<i>PIH</i>		-0.004 (-1.00)	-0.008 (-0.61)	0.002 (0.44)	-0.013 (-1.11)		0.003 (0.63)	-0.003 (-0.20)	
<i>LNANL</i>		0.002 (0.86)	-0.002 (-0.43)	0.000 (0.04)	0.002 (0.41)		-0.001 (-0.53)	0.004 (0.84)	
<i>ANNMAR</i>		0.003 (1.49)	0.002 (0.35)	0.003 (1.49)	0.007 (1.23)		0.002 (0.91)	-0.003 (-0.64)	
<i>ANNTURN</i>		0.001 (0.18)	0.009 (0.51)	0.003 (0.42)	-0.016 (-1.07)		-0.006 (-0.87)	-0.014 (-0.96)	
<i>DFORFIRM</i>		0.005 (1.16)	-0.003 (-0.39)	0.003 (0.84)	0.003 (0.31)		0.004 (0.97)	-0.016* (-1.77)	
<i>EP</i>		0.032 * (1.81)	-0.013 (-0.32)	-0.018 (-1.01)	0.032 (0.74)		0.033 * (1.85)	-0.001 (-0.03)	
<i>DP</i>		-0.086 (-1.52)	0.104 (0.83)	0.047 (0.81)	0.155 (1.24)		-0.002 (-0.04)	-0.014 (-0.11)	
<i>BP</i>		-0.002 (-0.59)	-0.002 (-0.19)	0.000 (0.01)	-0.003 (-0.38)		-0.005 (-1.23)	0.006 (0.63)	
<i>CNI</i>		-0.002 (-0.16)	0.022 (0.98)	0.010 (0.95)	0.002 (0.10)		0.011 (1.01)	0.026 (1.24)	
<i>SGR</i>		0.002 (0.63)	0.003 (0.62)	-0.003 (-1.49)	0.003 (0.60)		0.000 (-0.17)	-0.003 (-0.48)	
<i>SPINDX</i>		0.000 (0.17)	-0.004 (-0.61)	-0.002 (-0.60)	-0.001 (-0.20)		-0.003 (-1.31)	-0.004 (-0.56)	
<i>INTAN</i>		-0.001 (-0.19)	0.001 (0.09)	-0.002 (-0.43)	0.004 (0.52)		-0.001 (-0.18)	-0.002 (-0.21)	
<i>LEV</i>		0.005 (1.14)	0.006 (0.48)	0.000 (0.04)	0.000 (0.03)		0.000 (-0.11)	0.006 (0.43)	
<i>STD</i>		-0.177 (-1.06)	0.311 (0.58)	0.060 (0.30)	-0.158 (-0.36)		-0.035 (-0.19)	0.369 (0.79)	
<i>BETA</i>		0.002 (1.28)	0.003 (0.65)	0.001 (0.55)	0.003 (0.64)		-0.001 (-0.40)	0.001 (0.16)	
<i>LTIME</i>		0.002 * (1.92)	0.003 (1.25)	0.000 (0.06)	-0.001 (-0.59)		0.001 (0.92)	0.004 (1.56)	
<i>Year Effects</i>		Incl	Incl	Incl	Incl		Incl	Incl	
<i>Industry Effects</i>		Incl	Incl	Incl	Incl		Incl	Incl	
<i>N</i>		6,968	6,968	6,968	6,968		6,968	6,968	
<i>Adjusted R²</i>		0.02	0.01	0.00	0.00		0.02	0.01	

*, **, *** Significantly different from zero at the 0.10, 0.05, and 0.01 level, respectively, using a one-tailed test for predicted changes; two-tailed otherwise (t-statistics reported in parentheses).

TABLE 6 (Continued)
Regression of Post-Presentation Trading Gains on Presentation and Firm Characteristics

Table 6 presents results of regressions of post-presentation trading gains ($GAIN(t)$) over the (+1,+3) and (+4,+30) horizons on the presentation and firm characteristics. To compute the potential post-presentation trading gains ($GAIN(t)$), we multiply the $NETBUYS(t)$ indicator times the buy-and-hold size-adjusted returns (SAR) over various windows subsequent to the selective access period. We set the indicator variable $NETBUYS(t)$ equal to 1 if abnormal net buys are positive during the event period (t) and -1 otherwise. We identify each trade as a buy or sell using the Lee and Ready (1991) algorithm with a zero-second delay between trades and quotes (Rogers, 2008). We compute size-adjusted returns by compounding the firm's raw return starting with the stock price two hours after the presentation (or at the end of the day if it comes first) and ending at horizons three, 6, 9, 30, 60, and 252 trading days after the presentations. We subtract the returns for the firm's size decile from these returns, where we start the compounding for the size portfolio at the start of the presentation date. A positive value of $GAIN(t)$ indicates that investors were buying (selling) during the selective access period and subsequent abnormal returns for the firm were positive (negative). $DIONI$ equals 1 if the presentation occurred at conference that provided one-on-one sessions, 0 otherwise. $DBREAKOUT$ equals 1 if the presentation occurred at conference that provided breakout sessions, 0 otherwise. $DCEO$ ($DCFO$) equals 1 if a firm's presentation is made by the CEO (CFO), 0 otherwise. $LNQUEST$ is the log of the number of questions asked during the Q&A portion of the presentation. $CABRETO$ is the abnormal absolute return during the presentation period (t_0), computed as the absolute return in the presentation period less the absolute return in the same period one week prior, measured in percentage points. $DINFO_EVENT$ equals one if an earnings announcement, management forecast, or Form 8-K/6-K filing occurs during the day of the presentation, 0 otherwise. LMV is the log of the market value of equity 30 days before the conference presentation. PIH is the percent ownership by institutional investors, defined as total shares owned by institutions divided by the total shares outstanding, for the most recent calendar quarter end prior to the presentation. $LNANL$ is the log of one plus number of analysts issuing earnings forecasts in the most recent calendar quarter prior to the presentation. $ANNMAR$ is the buy-and-hold market-adjusted stock return over the year prior to 30 days before the presentation. $ANNTURN$ is the average monthly share turnover, computed as volume divided by shares outstanding, for the year prior to 30 days before the presentation. $DFORFIRM$ is an indicator variable set to 1 if the company is headquartered outside the U.S., 0 otherwise. EP is the earnings-to-price ratio, DP is the dividend-to-price ratio, BP is the book-to-price ratio, CNI is the change in net income deflated by market value of equity, SGR is the annual sales growth, $SPINDEX$ is the indicator for listing on any S&P index, $INTAN$ is the ratio of intangible assets to total assets, and LEV is the ratio of debt to total assets. Unless otherwise indicated, all control variables are measured for the fiscal year ended prior to the presentation. STD is the standard deviation of stock returns (from CRSP) for the year prior to the presentation. $BETA$ is the beta (from CRSP) of the stock for the year prior to presentation. $LTIME$ is the log of the number of years the company has been listed. Year and industry effects are included, but not reported.