Online Appendix for "Earnings Conference Calls and the SEC Comment Letter Process"

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This Online Appendix includes supplemental analyses for the paper "Earnings Conference Calls and the SEC Comment Letter Process."

Table OA1: Variables not Defined in Appendix A *(in alphabetical order)*

Variable	Definition
CommentNo.	The order number of the conference call-related comment as presented in the SEC comment letter.
CallInCorresp	An indicator variable that equals 1 if the company directly addresses the referred conference call in the response correspondence, and 0 otherwise.
MentionTranscript	An indicator variable that equals 1 if the conference call-related comment mentions the phrase “transcript”, and 0 otherwise.
RefersToPrior	An indicator variable that equals 1 if the conference call-related comment refers to a prior SEC comment letter or company correspondence, and 0 otherwise.
TotalComments	The number of total comments included in the SEC comment letter.

Table OA2: Descriptive Characteristics of CCCLs (letter level)

Panel A: Distribution of CCCLs and Non-CCCLs by SEC Office / Industry Group

SEC Office / Industry Group	*CCCLs*	*Percent*	*Non-CCCLs*	*Percent*	*CCCLs as Percent of Total*
(1) Health and Insurance	45	5.6%	1,400	10.8%	3.1%
(2) Consumer Products	52	6.4%	1,129	8.7%	4.4%
(3) Information Tech. & Services	220	27.2%	1,431	11.0%	13.3%
(4) Natural Resources	55	6.8%	1,076	8.3%	4.9%
(5) Transportation and Leisure	33	4.1%	1,381	10.6%	2.3%
(6) Manufacturing and Construction	139	17.2%	1,587	12.2%	8.1%
(7) Financial Services	48	5.9%	829	6.4%	5.5%
(8) Real Estate and Commodities	12	1.5%	1,150	8.9%	1.0%
(9) Beverages, Apparel, and Mining	67	8.3%	610	4.7%	9.9%
(10) Electronics and Machinery	78	9.6%	1,473	11.3%	5.0%
(11) Telecommunications	60	7.4%	933	7.2%	6.0%
Total	809	100%	12,999	100%	5.9%

Panel B: Descriptive Statistics for CCCL Characteristics

	N	*Mean*	*Std*	*P25*	*Median*	*P75*
CommentNo.	809	2.918	3.148	1.000	2.000	3.000
TotalComments	809	6.162	4.925	3.000	5.000	8.000
RefersToPrior	809	0.082	0.279	0.000	0.000	0.000
MentionTranscript	809	0.133	0.340	0.000	0.000	0.000
CallInCorresp	809	0.393	0.489	0.000	0.000	1.000

Notes: This table provides sample distribution statistics of comment letters with at least one comment referring to the company's earnings conference call(s) (CCCLs). Panel A shows the distribution of CCCLs and non-CCCLs by industry, where industry is identified based on the assigned office of the SEC Division of Corporation Finance. Panel B tabulates descriptive statistics of other variables that we manually collected for CCCLs. All variables in Panel B are defined in Table OA1.

Table OA3: Descriptive Characteristics of CCCL Comments (comment level)

Panel A: Distribution of CCCL Comment-level Issue Types by Comment-level Category

	Comment Categories				
	1 Insufficient disclosure in filing	*2a Incorrect/ inconsistent information given*	*2b Incorrect/ inconsistent disclosure practice*	*3 Insufficient/ incorrect/ inconsistent call disclosure*	*4 Incorrect/ insufficient disclosure in both*
Issue type	*Comments*	*Comments*	*Comments*	*Comments*	*Comments*
Revenue (including recognition, composition, etc.)	132	11	5	3	1
Segment Reporting (including geographic segments, disaggregation by portfolios/products/categories)	85	28	32	1	2
Non-GAAP or KPI	89	3	11	15	13
MD&A (General Issues or Risk Factors)	103	4	2	0	1
MD&A (Customers/Markets/Seasonality)	90	5	0	0	0
Current Assets (Cash, Inventory, Receivables, etc.)	31	5	0	5	1
Legal Matters (including Contingencies, government/regulatory issues)	34	3	0	0	1
Long-Term Productive Assets (Tangible)	30	3	1	1	1
Operating Expenses (R&D, SG&A, warranty expense, etc.)	19	2	0	1	0
M&A (including divestitures)	18	4	0	0	0
Cost of Goods Sold	18	2	0	1	0
MD&A (Products)	19	0	0	1	0
Foreign	11	5	0	0	1
Long-Term Productive Assets (Goodwill)	13	3	0	0	0
Other Expenses	12	1	0	0	0
Long-Term Productive Assets (Intangible, except Goodwill)	11	2	0	0	0
State Sponsors of Terrorism	11	1	0	0	0
Taxes	8	1	0	1	1
Investments - Passive (equity, debt, derivatives, hedging)	10	1	0	0	0
Long-Term Liabilities – Other (pension, leases, etc.)	8	2	0	0	0
Equity Issues (Issuance, buyback, split, etc.)	6	1	0	0	0

Long-Term Liabilities – Debt	4	2	0	0	0
Governance and Internal Control	5	1	0	0	0
Employee and Compensation	3	2	0	0	0
Statement of Cash Flows	2	0	0	0	0
Current Liabilities	1	0	0	0	0
Investments – Active (equity method, consolidation)	1	0	0	0	0
Total	774	92	51	29	22

Table OA3, continued: Descriptive Characteristics of CCCL Comments (comment level)

Panel B: Distribution of CCCL Comment-level Categories by Firm Response of Agreement vs. Refusal

	Comments	*Percent*
Agreement (N = 466):		
1 - Insufficient disclosure in filing	391	40.4%
2a - Incorrect/inconsistent information given	28	2.9%
2b - Incorrect/inconsistent disclosure practice	26	2.7%
3 - Insufficient/incorrect/inconsistent call disclosure	12	1.2%
4 - Incorrect/insufficient disclosure in both	9	0.9%
Refusal (N = 257):		
1 - Insufficient disclosure in filing	208	21.5%
2a - Incorrect/inconsistent information given	24	2.5%
2b - Incorrect/inconsistent disclosure practice	15	1.5%
3 - Insufficient/incorrect/inconsistent call disclosure	5	0.5%
4 - Incorrect/insufficient disclosure in both	5	0.5%
Other (N = 245):		
1 - Insufficient disclosure in filing	175	18.1%
2a - Incorrect/inconsistent information given	40	4.1%
2b - Incorrect/inconsistent disclosure practice	10	1.0%
3 - Insufficient/incorrect/inconsistent call disclosure	12	1.2%
4 - Incorrect/insufficient disclosure in both	8	0.8%
Total	968	100%

Table OA3, continued: Descriptive Characteristics of CCCL Comments (comment level)

Panel C: Distribution of CCCL Comment-level Issue Types by Firm Response of Agreement vs. Refusal

	Firm Agreement/Refusal		
	Agreement	*Refusal*	*Other*
Issue type	*Comments*	*Comments*	*Comments*
Revenue (including recognition, composition, etc.)	68	45	39
Segment Reporting (including geographic segments, disaggregation by portfolios/products/categories)	48	37	63
Non-GAAP or KPI	71	44	16
MD&A (General Issues or Risk Factors)	71	31	8
MD&A (Customers/Markets/Seasonality)	69	20	6
Current Assets (Cash, Inventory, Receivables, etc.)	20	9	13
Legal Matters (including Contingencies, government/regulatory issues)	12	17	9
Long-Term Productive Assets (Tangible)	12	8	16
Operating Expenses (R&D, SG&A, warranty expense, etc.)	14	5	3
M&A (including divestitures)	7	5	10
Cost of Goods Sold	13	6	2
MD&A (Products)	8	11	1
Foreign	6	4	7
Long-Term Productive Assets (Goodwill)	4	1	11
Other Expenses	8	4	1
Long-Term Productive Assets (Intangible, except Goodwill)	4	1	8
State Sponsors of Terrorism	0	0	12
Taxes	4	1	6
Investments - Passive (equity, debt, derivatives, hedging)	8	1	2
Long-Term Liabilities – Other (pension, leases, etc.)	7	2	1
Equity Issues (Issuance, buyback, split, etc.)	4	1	2
Long-Term Liabilities – Debt	5	0	1
Governance and Internal Control	1	2	3
Employee and Compensation	1	1	3

Statement of Cash Flows	0	1	1
Current Liabilities	1	0	0
Investments – Active (equity method, consolidation)	0	0	1
Total	466	257	245

Table OA3, continued: Descriptive Characteristics of CCCL Comments (comment level)

Panel D: Firm Responses Referencing Guidance by SEC References to Guidance

	Comments	*Percent*
SEC Refers to Specific Guidance (N = 547)		
Firm refers to same guidance as the SEC	273	28.2%
Firm refers to new guidance	114	11.8%
Firm does not refer to guidance	150	15.5%
No response	10	1.0%
SEC Does Not Refer to Specific Guidance (N = 421)		
Firm refers to new guidance	80	8.3%
Firm does not refer to guidance	337	34.8%
No response	4	0.4%
Total	968	100.0%

Panel E: Distribution of the Number of SEC Guidance References

	Comments	*Percent*
0	421	43.5%
1	339	35.0%
2	167	17.3%
3	33	3.4%
4	4	0.4%
5	3	0.3%
9	1	0.1%
Total	968	100%

Panel F: Types of Guidance Referenced by the SEC

	References	*Percent*
Regulation S-K	272	33.5%
SEC Release 33-8350	181	22.3%
ASC 280	66	8.1%
Regulation G	15	1.8%
Regulation S-X	11	1.4%
Other Guidance	267	32.9%
Total	812	100%

Table OA3, continued: Descriptive Characteristics of CCCL Comments (comment level)

Panel G: Filing Sections for which Firms Agree to Fully or Partially Change Disclosures after CCCL Comments (509 out of 968 CCCLs)

	Observation	*Percent*
Full (N = 466) or Partial (N = 43) Agreement to Change SEC Filings or Conference Calls		
MD&A	183	36.0%
Risk factors	5	1.0%
Segment	9	1.8%
Non-GAAP	5	1.0%
Critical accounting policies	7	1.4%
Other	45	8.8%
Unspecified	243	47.7%
Conference call	12	2.4%
Total	509	100%

Panel H: Firms Providing Detailed Revision Plans/Examples in Response to CCCL Comments where the Response Indicates Full or Partial Agreement to Change SEC Filings (509 out of 968 CCCLs)

	Observation	*Percent*
Full (N = 466) or Partial (N = 43) Agreement to Change SEC Filings or Conference Calls		
Firm provides detailed revision plan/example	230	45.2%
Firm does not provide detailed revision plan/example	279	54.8%
Total	509	100%

Panel I: The Number of Tables in Firms' Responses to CCCL Comments where the Response Indicates Full or Partial Agreement to Change SEC Filings (509 out of 968 CCCLs)

	Comments	*Percent*
Full (N = 466) or Partial (N = 43) Agreement to Change SEC Filings or Conference Calls		
0	414	81.3%
1	66	13.0%
2	21	4.1%
3	3	0.6%
4	1	0.2%
5	2	0.4%
7	2	0.4%
Total	509	100%

Panel J: CCCL Comments Receiving Subsequent Follow-up by the SEC

	Comments	*Percent*
Yes	186	19.2%
In the *Agreement (N = 466)* subsample	48	
In the *Refusal (N = 257)* subsample	71	
In the *Other (N = 245)* subsample	67	
No	768	79.3%
Missing response letter	14	1.5%
Total	968	100%

Notes: This table provides additional statistics describing the nature of comments referring to the company's earnings conference call(s). Panel A presents the distribution of our manually classified issue types by our manually classified comment categories. Definitions of comment categories and examples of comments are provided in Appendix B. Panel B displays the distribution of comment categories by our manually classified firm responses to requests for future filing or call changes. Panel C shows the distribution of issue types by our manually classified firm responses to requests for future filing or call changes. Panel D reports the distribution of whether the SEC refers to guidance in the question and whether the firm refers to the same, new, or no guidance in the response letter. Panel E shows the distribution of the number of guidance items referenced by the SEC. Panel F shows the types of guidance referenced by the SEC (the total observations in Panel F differs from the other panels because it focuses on individual guidance references across the CCCLs with at least one guidance reference). Panel G provides the distribution of which sections of SEC filings firms agree to change upon receiving requests from the SEC. Panel H reports the distribution of whether the firm provides detailed revision plans or examples in its response letter. Panel I depicts the distribution of the number of tables that the firm includes in its response letter. Panel J presents the distribution of whether the SEC issues additional comment letters following up on the firm's response.

Table OA4: Descriptive Characteristics of Calls Referenced in CCCLs (call level)

Panel A: Distribution of Conference Call Segments Referenced in CCCLs

Call Segment	*Observation*	*Percent*
Body	634	58.3%
Both body and Q&A	225	20.7%
Q&A	224	20.6%
Unable to identify	5	0.5%
Total	1,088	100%

Panel B: Distribution of Conference Call Speakers Referenced in CCCLs

Speaker	*Observation*	*Percent*
CEO (Chief Executive Office)	472	43.4%
CFO (Chief Financial Officer)	319	29.3%
CEO and CFO	160	14.7%
COO (Chief Operating Officer)	19	1.7%
President	17	1.6%
VP (Vice President)	10	0.9%
IRO (Investor Relations Officer)	9	0.8%
CEO and COO	7	0.6%
Other[+]	70	6.4%
Unable to identify	5	0.5%
Total	1,088	100%

[+] Examples of other speakers include EVP (Executive Vice President), SVP (Senior Vice President), Chairman, CRO (Chief Risk Officer), CAO (Chief Accounting Officer), CMO (Chief Marketing Officer), and CSO (Chief Strategy Officer).

Panel C: Conference Call Direct Quotations Referenced in CCCLs

Direct Quotation	*Observation*	*Percent*
Yes	870	80.0%
No	218	20.0%
Total	1,088	100%

Notes: This table provides descriptive information about the nature of the conference calls mentioned by the SEC staff in our sample of CCCLs. Panel A reports the distribution of the portion of call where the referenced information appears. Panel B displays the distribution of the speakers of the referenced information. Panel C presents the distribution of whether the SEC directly quotes the information in the referenced conference call.

Table OA5: Determinants of Receiving a CCCL: Shapley Values across CCCL Types

Panel A: Comment Categories, Issue Types, and Firm Agreement to Change Disclosures

		By Comment Category			By Issue Type				By Agreement	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Determinants Category	**Full**	**1**	**3/4**	**2a/2b**	**Revenue**	**Non-GAAP**	**Segment**	**MDA**	**Agree**	**Other**
Firm Complexity and Visibility	5.85%	4.59%	11.49%	6.60%	21.21%	8.26%	9.27%	4.12%	4.66%	8.45%
Firm Information Environment	4.81%	5.70%	7.10%	-0.09%	5.46%	8.15%	7.46%	2.80%	5.08%	3.98%
SEC Scrutiny	0.75%	-0.21%	17.61%	3.59%	-1.66%	0.13%	9.25%	0.76%	2.01%	-0.47%
SEC Filing Review Process	31.39%	31.86%	31.08%	29.61%	17.74%	14.88%	20.62%	46.17%	37.77%	25.16%
Year-Qtr FE	33.61%	31.85%	19.44%	45.43%	39.11%	14.04%	35.49%	14.91%	26.79%	35.28%
Industry FE	23.60%	26.21%	13.28%	14.86%	18.13%	54.54%	17.91%	31.24%	23.68%	27.61%
No. of CCCLs	809	623	41	112	114	104	126	174	380	377
No. of Observations	13,808	13,775	13,775	13,775	13,767	13,767	13,767	13,767	13,756	13,756
Adjusted R^2	0.067	0.056	0.005	0.005	0.012	0.021	0.012	0.018	0.032	0.032

Panel B: Conference Call Speakers and Segments

		By Speaker		By Segment	
	(1)	(2)	(3)	(4)	(5)
Determinants Category	**Full**	**Includes CFO**	**No CFO**	**Q&A/Both**	**Body**
Firm Complexity and Visibility	5.85%	8.12%	4.17%	6.42%	4.16%
Firm Information Environment	4.81%	4.96%	6.28%	10.08%	8.14%
SEC Scrutiny	0.75%	1.83%	-0.42%	-0.80%	1.68%
SEC Filing Review Process	31.39%	26.58%	35.99%	31.27%	30.58%
Year-Qtr FE	33.61%	30.27%	30.88%	32.13%	32.61%
Industry FE	23.60%	28.24%	23.10%	20.91%	22.83%
No. of CCCLs	809	337	416	302	456
No. of Observations	13,808	13,752	13,752	13,757	13,757
Adjusted R^2	0.067	0.028	0.033	0.024	0.038

Notes: This table provides the Shapley decomposition of the adjusted R^2 for model (1) estimated for various subsamples based on different CCCL characteristics. In Panel A, Column (1) reports values from the full sample (corresponding to Table 4 Panel C), and we split the sample according to our manually classified comment categories in Columns (2)-(4), our manually classified issue types in Columns (5)-(8), and whether the firm agrees to change future disclosures in Columns (9)-(10). In Panel B, we again report the full-sample results in Column (1) and then split the sample based on the conference call speaker in Columns (2)-(3) and the conference call segment in Columns (4)-(5). We include the same controls and fixed effects as in Table 4 Panel C. For the various subsamples, we exclude any observations where the same SEC comment letter contains multiple comments that fall into different categories based on our manual classifications.

Table OA6: *CCCL* Coefficients for the Remediation and Quality Analyses across CCCL Types (same firm letter-level)

Panel A: Comment Categories, Issue Types, and Firm Agreement to Change Disclosures

		By Comment Category			By Issue Type				By Agreement	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dependent Variable	**Full**	**1**	**3/4**	**2a/2b**	**Revenue**	**Non-GAAP**	**Segment**	**MDA**	**Agree**	**Other**
RefGuidance	0.0686**	0.0771**	0.1526*	-0.0472	0.0662	0.2067***	0.0214	0.1317***	0.1377***	-0.0187
Specificity	0.0318	0.0138	-0.0030	0.0999	0.0716	0.0812	-0.0809	-0.0244	0.0081	0.0369
NegativeCount	0.1344***	0.1432***	-0.0008	0.0673	0.1753***	0.0266	-0.0185	0.1077*	0.1129***	0.1063***
DeficientAreas	0.1093***	0.0650**	0.1216	0.1690***	0.1281*	0.0335	0.2345***	-0.0631	-0.0001	0.1617***
DiscChanges	0.0747***	0.0555*	0.0992	0.0396	0.0725	0.1076	0.0246	0.0323	0.1409***	-0.0324
#AAIssues	1.3772***	1.3105***	1.5701	0.8805	0.9906*	1.3486**	1.0598*	1.0522**	1.4445***	0.8247**
LnConvLength	0.2419***	0.1370***	0.5496***	0.5295***	0.2012**	0.1952**	0.5661***	0.0001	0.0422	0.3766***
#Rounds	0.3463***	0.2261***	0.6370***	0.6904***	0.2877**	0.3167**	0.7394***	0.0276	0.0997	0.4777***

Statistics for Models with Table 5 Dependent Variables: *RefGuidance*, *Specificity*, *NegativeCount*, *DeficientAreas*, *DiscChanges*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
No. of CCCLs	714	547	40	97	96	99	111	149	342	332
No. of Observations	3,013	2,983	2,983	2,983	2,975	2,975	2,975	2,975	2,973	2,973

Statistics for Models with Table 6 Dependent Variables: *#AAIssues, LnConvLength, #Rounds*

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
No. of CCCLs	744	569	40	104	101	99	114	159	351	347
No. of Observations	3,222	3,191	3,191	3,191	3,183	3,183	3,183	3,183	3,176	3,176

Table OA6, continued: *CCCL* Coefficients for the Remediation and Quality Analyses across CCCL Types (same firm letter-level)

Panel B: Conference Call Speakers and Segments

		By Speaker		By Segment	
	(1)	(2)	(3)	(4)	(5)
Dependent Variable	**Full**	**Includes CFO**	**No CFO**	**Q&A/Both**	**Body**
RefGuidance	0.0686**	0.0435	0.0525	0.0192	0.0870**
Specificity	0.0318	0.0221	0.0220	-0.0120	0.0664*
NegativeCount	0.1344***	0.1250***	0.0756**	0.1090***	0.1103***
DeficientAreas	0.1093***	0.0885**	0.0681*	0.0696*	0.1017***
DiscChanges	0.0747**	0.0411	0.0611	0.0418	0.0779**
#AAIssues	1.3772***	1.3087***	0.9133**	0.9978***	1.2921***
LnConvLength	0.2419***	0.3135***	0.1327***	0.1949***	0.2336***
#Rounds	0.3463***	0.3617***	0.2693***	0.2595***	0.3325***
Statistics for Models with Table 5 Dependent Variables: *RefGuidance*, *Specificity*, *NegativeCount*, *DeficientAreas*, *DiscChanges*					
No. of CCCLs	714	308	357	267	402
No. of Observations	3,013	2,964	2,964	2,968	2,968
Statistics for Models with Table 6 Dependent Variables: *#AAIssues, LnConvLength, #Rounds*					
No. of CCCLs	744	317	376	278	420
No. of Observations	3,222	3,171	3,171	3,176	3,176

Notes: This table provides *CCCL* coefficients from the same-firm letter-level specifications from Table 5 Panel C (dependent variables of *RefGuidance*, *Specificity*, *NegativeCount*, *DeficientAreas*, and *DiscChanges*) and Table 6 Panel C (dependent variables of *#AAIssues*, *LnConvLength*, and *#Rounds*) estimated for various subsamples based on different CCCL characteristics. In Panel A, Column (1) reports values from the full sample (corresponding to Table 5 Panel C and Table 6 Panel C), and we split the sample according to our manually classified comment categories in Columns (2)-(4), our manually classified issue types in Columns (5)-(8), and whether the firm agrees to change future disclosures in Columns (9)-(10). In Panel B, we again report the full-sample results in Column (1) and then split the sample based on the conference call speaker in Columns (2)-(3) and the conference call segment in Columns (4)-(5). We include the same control variables and firm and year-quarter fixed effects as Table 5 Panel C for dependent variables *RefGuidance*, *Specificity*, *NegativeCount*, *DeficientAreas*, and *DiscChanges*, and the same as Table 6 Panel C for dependent variables *##AAIssues*, *LnConvLength*, and *#Rounds*. For the various subsamples, we exclude any observations where the same SEC comment letter contains multiple comments that fall into different categories based on our manual classification.

Table OA7: Full Tabulation of Table 5 Panel B: Quality of SEC Filing Reviews for Pooled Sample Letter-level Comparison

	(1)		(2)		(3)		(4)		(5)	
	DV = RefGuidance		*DV = Specificity*		*DV = NegativeCount*		*DV = DeficientAreas*		*DV = DiscChanges*	
	Coeff	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*
CCCL	**0.1062*****	**(5.06)**	**0.0574*****	**(2.69)**	**0.1680*****	**(7.86)**	**0.1424*****	**(6.73)**	**0.1220*****	**(5.56)**
LnAge	-0.0140**	(-2.01)	-0.0044	(-0.59)	0.0093	(1.25)	-0.0025	(-0.34)	-0.0058	(-0.76)
LnMVE	-0.0290***	(-5.92)	-0.0163***	(-3.05)	0.0020	(0.37)	0.0228***	(4.44)	-0.0095*	(-1.76)
MTB	-0.0007	(-0.76)	-0.0007	(-0.71)	-0.0039***	(-3.87)	-0.0041***	(-4.35)	-0.0022**	(-2.16)
LitigationRisk	0.0522**	(2.20)	-0.0614**	(-2.40)	0.0590**	(2.33)	-0.0139	(-0.58)	-0.0182	(-0.70)
#Segments	0.0002	(0.10)	0.0018	(1.08)	0.0059***	(3.43)	0.0069***	(4.15)	0.0037**	(2.18)
Foreign	0.0286**	(2.55)	0.0172	(1.44)	-0.0042	(-0.35)	-0.0014	(-0.12)	-0.0076	(-0.61)
Advertising	-0.0000	(-1.11)	0.0000	(0.86)	-0.0000	(-0.79)	-0.0000	(-1.45)	-0.0000	(-0.41)
R&D	-0.7678**	(-2.54)	-0.8964***	(-2.74)	-2.0035***	(-6.14)	-0.7969**	(-2.52)	-0.5404*	(-1.69)
ExtFinancing	0.0323	(0.33)	0.2708***	(2.67)	0.0425	(0.43)	0.0442	(0.45)	0.1452	(1.34)
NYSE	-0.0025	(-0.24)	0.0092	(0.81)	0.0193*	(1.68)	-0.0024	(-0.22)	0.0140	(1.21)
Big4	-0.0079	(-0.29)	-0.0935***	(-3.27)	-0.0126	(-0.44)	0.0800***	(2.87)	0.0309	(1.06)
SecondTier	0.0131	(0.42)	-0.0618*	(-1.91)	0.0240	(0.75)	0.0410	(1.31)	0.0354	(1.06)
AuditorTenure	-0.0009	(-1.39)	0.0001	(0.11)	-0.0011	(-1.62)	-0.0017***	(-2.64)	-0.0018***	(-2.74)
InstOwn	-0.0097	(-0.49)	-0.0518**	(-2.44)	-0.0353*	(-1.65)	-0.0713***	(-3.46)	-0.0250	(-1.14)
LnAnalysts	-0.0042	(-0.66)	-0.0106	(-1.54)	0.0015	(0.22)	-0.0042	(-0.63)	-0.0076	(-1.07)
Spread	-2.2285	(-1.52)	-1.6623	(-1.10)	1.1317	(0.75)	0.2444	(0.17)	-2.2428	(-1.45)
PriorBodyLength	0.0101	(0.86)	0.0115	(0.88)	0.0236*	(1.79)	0.0522***	(4.18)	0.0340***	(2.58)
PriorQALength	0.0120	(1.04)	0.0116	(0.94)	0.0123	(1.01)	0.0065	(0.55)	0.0056	(0.45)
Restate	-0.0323*	(-1.85)	0.0010	(0.05)	0.0817***	(4.29)	0.0498***	(2.66)	-0.0210	(-1.11)

ICMW	0.0009	(0.05)	0.0326	(1.53)	0.0802***	(3.89)	0.0398**	(1.99)	0.0098	(0.46)
AudDismiss	0.0203	(0.80)	-0.0235	(-0.85)	-0.0381	(-1.38)	-0.0518*	(-1.88)	-0.0381	(-1.33)
AudResign	0.0245	(0.42)	-0.0135	(-0.20)	-0.0214	(-0.36)	-0.1867***	(-2.95)	-0.1197**	(-2.09)
Volatility	-0.1868*	(-1.92)	0.1185	(1.13)	0.3107***	(2.90)	0.4535***	(4.52)	-0.1003	(-0.91)
Loss	-0.0164	(-1.51)	0.0152	(1.33)	0.0933***	(8.06)	0.0649***	(5.84)	-0.0057	(-0.48)
M&A	0.0436*	(1.83)	0.0518**	(1.99)	0.0009	(0.03)	0.0503**	(1.96)	-0.0039	(-0.16)
Restructuring	-0.0043	(-0.08)	-0.0164	(-0.32)	0.0677	(1.12)	-0.0041	(-0.08)	0.0324	(0.62)
#Filings	0.1150***	(20.11)	0.1241***	(22.85)	0.1135***	(19.24)	0.0675***	(14.25)	0.0806***	(14.57)
10K	0.2091***	(13.94)	-0.0594***	(-3.37)	-0.0060	(-0.34)	0.0409**	(2.42)	0.0798***	(4.56)
LimitedScope	-0.0912***	(-8.18)	-0.0413***	(-3.47)	-0.0433***	(-3.55)	0.0068	(0.59)	-0.1053***	(-8.75)
$Letter_{t-1}$	-0.0248*	(-1.84)	-0.0299**	(-2.04)	-0.0037	(-0.25)	-0.0223	(-1.59)	-0.0637***	(-4.34)
$Letter_{t-2}$	-0.0030	(-0.26)	0.0012	(0.10)	0.0070	(0.58)	-0.0002	(-0.02)	-0.0252**	(-2.05)
PastCCUpload	0.0030	(0.17)	0.0377**	(2.00)	0.0488***	(2.60)	0.0356**	(2.01)	0.0211	(1.16)
PastCCCorresp	-0.0070	(-0.37)	-0.0174	(-0.88)	0.0011	(0.06)	0.0457**	(2.38)	-0.0184	(-0.90)
FYR12	-0.0142	(-1.00)	0.0206	(1.39)	-0.0122	(-0.83)	-0.0094	(-0.66)	-0.0164	(-1.09)
Sept	0.0159	(0.87)	0.0006	(0.03)	-0.0172	(-0.87)	0.0175	(0.91)	0.0007	(0.03)
Issued90	-0.0002	(-0.02)	-0.0010	(-0.08)	0.0006	(0.05)	0.0140	(1.15)	0.0207	(1.62)
TeamSize	0.0700***	(12.96)	0.0924***	(16.28)	0.0681***	(12.15)	0.0576***	(10.64)	0.0753***	(12.94)
Year-qtr FE	Yes		Yes		Yes		Yes		Yes	
Industry FE	Yes		Yes		Yes		Yes		Yes	
No. of Obs.	12,708		12,708		12,708		12,708		12,708	
Adjusted R^2	0.293		0.173		0.224		0.112		0.158	

Notes: This table presents the results of Table 5 Panel B, with all control variables tabulated.

Table OA8: Full Tabulation of Table 5 Panel C: Quality of SEC Filing Reviews for Same Firm Letter-level Comparison

	(1)		(2)		(3)		(4)		(5)	
	DV = RefGuidance		*DV = Specificity*		*DV = NegativeCount*		*DV = DeficientAreas*		*DV = DiscChanges*	
	Coeff	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*
CCCL	**0.0686****	**(2.49)**	**0.0318**	**(1.10)**	**0.1344*****	**(4.87)**	**0.1093*****	**(4.13)**	**0.0747*****	**(2.64)**
LnAge	-0.1476**	(-2.54)	0.0096	(0.13)	0.1018**	(2.02)	0.0284	(0.46)	-0.0776	(-1.16)
LnMVE	-0.0157	(-0.55)	-0.0304	(-0.95)	-0.0407	(-1.41)	0.0064	(0.21)	-0.0104	(-0.34)
MTB	-0.0015	(-0.63)	0.0006	(0.28)	-0.0026	(-1.15)	-0.0025	(-1.25)	-0.0032	(-1.26)
LitigationRisk	0.7302***	(5.91)	0.8722***	(7.31)	0.3866**	(2.28)	-0.0067	(-0.02)	0.6754	(1.44)
#Segments	-0.0028	(-0.50)	0.0035	(0.60)	-0.0089	(-1.40)	0.0057	(0.99)	-0.0040	(-0.68)
Foreign	-0.0581	(-0.93)	-0.0967	(-1.06)	-0.0794	(-0.91)	-0.0336	(-0.43)	-0.1087	(-1.44)
Advertising	0.0001	(1.10)	0.0000	(0.19)	0.0000	(0.34)	0.0002*	(1.73)	0.0001	(1.41)
R&D	-5.3971**	(-2.20)	-3.1656	(-1.18)	-4.1928	(-1.63)	-0.1884	(-0.07)	-3.7393	(-1.53)
ExtFinancing	-0.1486	(-0.61)	-0.3785	(-1.64)	0.1215	(0.48)	-0.1960	(-0.83)	-0.3361	(-1.35)
NYSE	-0.4177**	(-2.09)	0.0361	(0.20)	0.4964***	(4.16)	0.3063*	(1.71)	-0.3977	(-1.22)
Big4	-0.0350	(-0.25)	-0.2194	(-1.29)	-0.3472**	(-2.15)	-0.1217	(-0.72)	-0.1901	(-1.06)
SecondTier	0.0769	(0.52)	-0.0824	(-0.52)	-0.1558	(-0.93)	-0.0381	(-0.21)	-0.1169	(-0.65)
AuditorTenure	0.0011	(0.30)	0.0035	(0.71)	0.0022	(0.58)	0.0032	(0.85)	-0.0011	(-0.25)
InstOwn	-0.0014	(-0.02)	-0.0585	(-0.59)	-0.0092	(-0.10)	-0.0170	(-0.18)	-0.0025	(-0.03)
LnAnalysts	0.0082	(0.41)	-0.0011	(-0.05)	-0.0037	(-0.17)	-0.0002	(-0.01)	0.0232	(1.14)
Spread	-21.9866*	(-1.68)	-19.7648	(-1.65)	-6.9719	(-0.48)	0.9351	(0.07)	-8.6644	(-0.70)
PriorBodyLength	0.0289	(0.67)	0.1084**	(1.97)	0.1073**	(2.13)	0.1360***	(2.67)	0.0957*	(1.86)
PriorQALength	-0.0829*	(-1.77)	-0.0289	(-0.61)	0.0723	(1.64)	-0.0233	(-0.49)	0.0388	(0.81)
Restate	-0.0431	(-1.06)	0.0169	(0.37)	0.1322***	(3.08)	0.0689*	(1.72)	-0.0111	(-0.26)

ICMW	-0.0099	(-0.18)	0.0404	(0.73)	0.0403	(0.74)	-0.0164	(-0.33)	-0.0825	(-1.51)
AudDismiss	-0.0474	(-0.64)	0.0236	(0.32)	-0.0312	(-0.42)	0.0695	(0.88)	-0.0385	(-0.52)
AudResign	0.0114	(0.10)	0.1219	(0.89)	0.0606	(0.41)	-0.3189	(-1.62)	-0.0327	(-0.28)
Volatility	-0.0877	(-0.27)	-0.2082	(-0.58)	0.0888	(0.25)	0.3341	(1.06)	-0.0056	(-0.01)
Loss	-0.0009	(-0.03)	-0.0352	(-1.07)	0.0775**	(2.53)	0.0171	(0.57)	0.0047	(0.15)
M&A	-0.0291	(-0.58)	-0.0605	(-1.02)	-0.1117**	(-2.08)	0.0052	(0.10)	-0.0606	(-1.09)
Restructuring	-0.0919	(-0.59)	0.0107	(0.09)	-0.1283	(-0.88)	0.0737	(0.56)	0.0775	(0.63)
#Filings	0.1123***	(9.95)	0.1143***	(9.80)	0.1214***	(10.45)	0.0854***	(8.75)	0.1081***	(8.22)
10K	0.1054*	(1.84)	0.1639**	(2.39)	0.1368**	(2.31)	0.2444***	(4.35)	0.1209*	(1.93)
LimitedScope	-0.1202***	(-4.65)	-0.0414	(-1.50)	0.0600**	(2.19)	0.0750***	(2.92)	-0.0343	(-1.17)
$Letter_{t-1}$	-0.0519*	(-1.74)	-0.0267	(-0.82)	0.0441	(1.29)	0.0018	(0.06)	-0.0410	(-1.28)
$Letter_{t-2}$	-0.0440*	(-1.67)	-0.0286	(-1.05)	-0.0073	(-0.26)	0.0363	(1.49)	-0.0350	(-1.29)
PastCCCorresp	-0.0725	(-1.15)	0.0220	(0.29)	-0.0606	(-0.93)	-0.0158	(-0.25)	0.0348	(0.48)
FYR12	-0.0561	(-0.41)	0.0856	(0.49)	0.0182	(0.13)	0.1486	(0.70)	0.0462	(0.35)
Sept	0.0085	(0.19)	-0.0307	(-0.62)	-0.0145	(-0.30)	0.0420	(0.91)	-0.0104	(-0.21)
Issued90	0.0478	(1.62)	0.0351	(1.11)	0.0173	(0.57)	0.0420	(1.46)	0.0681**	(2.19)
TeamSize	0.0742***	(6.24)	0.0735***	(5.46)	0.0575***	(4.53)	0.0504***	(4.37)	0.0677***	(5.10)
Year-qtr FE	Yes		Yes		Yes		Yes		Yes	
Firm FE	Yes		Yes		Yes		Yes		Yes	
No. of Obs.	3,013		3,013		3,013		3,013		3,013	
Adjusted R^2	0.326		0.172		0.272		0.185		0.222	

Notes: This table presents the results of Table 5 Panel C, with all control variables tabulated. *AudResign* and *Restructuring* are omitted as their values are consistently zero across the sample.

Table OA9: Full Tabulation of Table 6 Panel B: Costs of Remediation for Pooled Sample Letter-level Comparison

	(1)		(2)		(3)	
	DV = #AAIssues		*DV = LnConvLength*		*DV = #Rounds*	
	Coeff	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*
CCCL	**1.7880*** **	**(9.15)**	**0.2335*** **	**(8.38)**	**0.3436*** **	**(8.05)**
LnAge	-0.0932	(-1.35)	0.0092	(0.94)	0.0044	(0.38)
LnMVE	0.0685	(1.35)	0.0580***	(8.19)	0.0486***	(5.74)
MTB	-0.0200**	(-2.17)	-0.0025*	(-1.85)	-0.0034**	(-2.16)
LitigationRisk	0.2170	(0.87)	0.0304	(0.91)	0.0806**	(2.21)
#Segments	0.0338**	(2.19)	0.0024	(1.07)	0.0078***	(2.80)
Foreign	0.5425***	(4.88)	0.0338**	(2.10)	0.0413**	(2.20)
Advertising	-0.0003	(-1.43)	0.0000	(1.04)	0.0000	(1.05)
R&D	-18.2907***	(-6.42)	-0.1757	(-0.42)	-0.6037	(-1.22)
ExtFinancing	1.6822*	(1.74)	-0.1597	(-1.18)	-0.0928	(-0.61)
NYSE	0.0798	(0.76)	0.0090	(0.60)	0.0225	(1.29)
Big4	-0.5492**	(-2.06)	0.0023	(0.06)	-0.0660	(-1.48)
SecondTier	-0.2270	(-0.75)	-0.0052	(-0.12)	-0.0438	(-0.87)
AuditorTenure	-0.0113*	(-1.89)	-0.0014	(-1.64)	-0.0007	(-0.65)
InstOwn	-0.7819***	(-4.04)	-0.1074***	(-3.68)	-0.0925***	(-2.83)
LnAnalysts	-0.2013***	(-3.21)	0.0014	(0.14)	0.0113	(1.02)
Spread	-4.4472	(-0.32)	0.9163	(0.48)	-1.1223	(-0.51)
PriorBodyLength	0.0034	(0.03)	0.0067	(0.39)	-0.0044	(-0.22)
PriorQALength	0.1837	(1.60)	-0.0150	(-0.95)	-0.0207	(-1.08)
Restate	0.1672	(0.92)	-0.1060***	(-3.84)	-0.0969***	(-3.30)
ICMW	0.2735	(1.35)	0.0389	(1.37)	-0.0025	(-0.08)

AudDismiss	-0.7212***	(-2.81)	-0.1084***	(-2.72)	-0.0561	(-1.37)
AudResign	-1.2955**	(-2.46)	-0.2600**	(-2.37)	0.1548	(1.01)
Volatility	0.7034	(0.69)	0.2132	(1.57)	0.5540***	(3.25)
Loss	0.4268***	(3.99)	0.0691***	(4.55)	0.0522***	(2.92)
M&A	0.3562	(1.64)	0.0350	(1.06)	0.0084	(0.21)
Restructuring	0.1106	(0.18)	0.0148	(0.21)	0.0201	(0.23)
#Filings	1.8373***	(24.31)	0.1067***	(13.76)	0.2062***	(15.43)
10K	1.0771***	(6.69)	0.0569**	(2.11)	0.0631**	(2.22)
LimitedScope	-0.6096***	(-5.51)	0.1349***	(8.03)	0.1048***	(5.58)
$Letter_{t-1}$	-0.6499***	(-4.92)	-0.0690***	(-3.30)	-0.0054	(-0.23)
$Letter_{t-2}$	-0.2978***	(-2.76)	0.0055	(0.36)	-0.0007	(-0.04)
PastCCUpload	-0.0909	(-0.57)	0.0648***	(2.66)	0.0347	(1.24)
PastCCCorresp	-0.2370	(-1.42)	0.0237	(0.86)	0.0496	(1.50)
FYR12	-0.1199	(-0.83)	-0.0114	(-0.56)	0.0125	(0.51)
Sept	0.0591	(0.33)	0.0333	(1.26)	-0.0184	(-0.62)
Issued90	0.3306***	(2.91)	-0.0227	(-1.34)	0.0393**	(2.10)
TeamSize	1.3092***	(24.64)	0.0800***	(10.45)	0.0184**	(2.02)
##AAIssues			0.0288***	(21.14)	0.0272***	(15.05)
Year-qtr FE	Yes		Yes		Yes	
Industry FE	Yes		Yes		Yes	
No. of Obs.	13,808		13,808		13,808	
Adjusted R^2	0.408		0.219		0.184	

Notes: This table presents the results of Table 6 Panel B, with all control variables tabulated.

Table OA10: Full Tabulation of Table 6 Panel C: Costs of Remediation for Same Firm Letter-level Comparison

	(1)		(2)		(3)	
	DV = #AAIssues		*DV = LnConvLength*		*DV = #Rounds*	
	Coeff	*t-stat*	*Coeff*	*t-stat*	*Coeff*	*t-stat*
CCCL	**1.3772*** **	**(5.31)**	**0.2419*** **	**(7.22)**	**0.3463*** **	**(7.04)**
LnAge	-0.5988	(-0.98)	0.1207	(1.41)	0.3262***	(2.89)
LnMVE	-0.2356	(-0.83)	0.0011	(0.03)	-0.0473	(-0.94)
MTB	0.0043	(0.19)	-0.0008	(-0.26)	-0.0061	(-1.39)
LitigationRisk	10.8730***	(4.08)	-0.7789***	(-3.40)	-0.0783	(-0.56)
#Segments	-0.0589	(-0.92)	0.0120	(1.58)	0.0139	(1.22)
Foreign	-0.7532	(-1.05)	0.0428	(0.43)	0.0359	(0.28)
Advertising	0.0011*	(1.76)	0.0001	(0.43)	0.0001	(0.86)
R&D	-61.0336***	(-2.78)	0.9278	(0.31)	2.2840	(0.55)
ExtFinancing	-1.2769	(-0.51)	0.0131	(0.04)	-0.4163	(-1.09)
NYSE	1.8129	(0.55)	0.1451	(0.30)	0.5993	(1.20)
Big4	-1.4217	(-0.91)	-0.1727	(-1.06)	-0.2358	(-1.33)
SecondTier	-1.3630	(-0.91)	-0.1128	(-0.74)	-0.1231	(-0.72)
AuditorTenure	0.0144	(0.28)	0.0003	(0.07)	-0.0025	(-0.52)
InstOwn	-0.4847	(-0.55)	0.3900***	(3.21)	0.2720*	(1.76)
LnAnalysts	0.1748	(0.88)	0.0184	(0.71)	0.0491	(1.31)
Spread	-188.8347	(-1.51)	4.8180	(0.31)	-11.1134	(-0.68)
PriorBodyLength	-0.1060	(-0.21)	0.0154	(0.26)	-0.0963	(-1.28)
PriorQALength	-0.3256	(-0.72)	0.0361	(0.59)	0.0048	(0.06)
Restate	0.7006	(1.58)	-0.0598	(-1.05)	-0.0377	(-0.51)
ICMW	-0.3613	(-0.58)	-0.0451	(-0.61)	0.0039	(0.04)

AudDismiss	0.2819	(0.41)	0.0072	(0.07)	-0.1448	(-1.23)
AudResign	1.0511	(0.77)	0.1215	(0.64)	0.6468***	(2.89)
Volatility	1.7828	(0.51)	-0.6548	(-1.62)	-0.8893	(-1.62)
Loss	0.1634	(0.53)	0.0321	(0.84)	0.0970*	(1.91)
M&A	-0.3538	(-0.68)	0.0053	(0.08)	-0.0539	(-0.61)
Restructuring	1.0968	(0.54)	0.0917	(0.71)	0.0602	(0.33)
#Filings	1.6724***	(10.48)	0.1441***	(6.86)	0.2866***	(9.75)
10K	3.0866***	(4.88)	0.6080***	(5.95)	0.5425***	(4.86)
LimitedScope	-0.4151	(-1.63)	0.0628*	(1.78)	0.1052**	(2.28)
$Letter_{t-1}$	-0.7945**	(-2.56)	-0.0167	(-0.42)	-0.0205	(-0.38)
$Letter_{t-2}$	-0.5280**	(-2.12)	0.0443	(1.32)	0.0113	(0.26)
PastCCCorresp	-0.8043	(-1.21)	-0.1237	(-1.56)	-0.1094	(-0.83)
FYR12	1.0114	(0.61)	0.0698	(0.46)	-0.0991	(-0.50)
Sept	-0.4652	(-1.11)	0.0439	(0.75)	-0.0358	(-0.45)
Issued90	0.5001	(1.61)	0.0751*	(1.89)	0.1441**	(2.34)
TeamSize	1.2265***	(10.10)	0.0187	(1.25)	-0.0160	(-0.71)
##AAIssues			0.0224***	(7.96)	0.0144***	(3.57)
Year-qtr FE	Yes		Yes		Yes	
Firm FE	Yes		Yes		Yes	
No. of Obs.	3,222		3,222		3,222	
Adjusted R^2	0.400		0.287		0.228	

Notes: This table presents the results of Table 6 Panel C, with all control variables tabulated. *AudResign* and *Restructuring* are omitted as their values are consistently zero across the sample.