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EDUCATION

New York University, New York, NY
Stern School of Business
Ph.D. Candidate in Accounting, anticipated completion in June 2010.

Dissertation Topic: Individual Investors' Attention to Accounting Information: Message Board Discussions.

Dissertation Committee: Joshua Livnat, Christine Petrovits, Joshua Ronen (Chair), Stephen Ryan, Jeffrey Wurgler.

New York University, New York, NY
Stern School of Business
Bachelor of Science in Economics, May 2002.
GPA: 3.98/4.0 *Summa Cum Laude*.

RESEARCH INTERESTS

Financial accounting and capital markets, market efficiency, investor sophistication, corporate mandatory and voluntary disclosure, non-financial disclosure, accounting regulation.

PUBLICATIONS

"The New Form 8-K Disclosures," with Joshua Livnat, *Review of Accounting Studies* (forthcoming).

"Double Surprise into Higher Future Returns," with Joshua Livnat and Richard R. Mendenhall, *Financial Analysts Journal* (July/August 2007).

WORKING PAPERS

"Individual Investors' Attention to Accounting Information: Message Board Discussions," job market paper.

"Who, if Anyone, Reacts to Accrual Information?" with Robert H. Battalio, Joshua Livnat and Richard R. Mendenhall, revise and resubmit to *The Journal of Accounting and Economics*.

"Anticipatory and Implementation Effects of FIN 46 on the Behavior of Different Market Participants," with Umit G. Gurun and Joshua Ronen, under review at *Review of Accounting Studies*.

"The High-Volume Return Premium and Post-Earnings Announcement Drift," with Joshua Livnat and Richard R. Mendenhall.

WORKS IN PROGRESS
"CSR Reports: Market Reactions and Disclosure Considerations," data analysis stage.

CONFERENCES & PRESENTATIONS
AAA Annual Meeting, 2009 (presenter)
AAA Annual Meeting, 2009 (discussant)
Joint NYU-Yale Conference, 2009 (presenter)
JAAF Conference, 2006, 2007, 2008, 2009
Joint Columbia-NYU Conference, 2006, 2008
Four School Conference, 2006, 2007, 2008
NYU Summer Camp, 2006, 2007, 2008, 2009

TEACHING INTERESTS
Financial accounting and reporting
Financial statement analysis

TEACHING EXPERIENCE
New York University, New York, NY
Stern School of Business
Instructor Summer 2008
Principles of Financial Accounting (Core Undergraduate Course)
- Teaching rating: 6.7/7.0 (65 Students/41 responses)

WORK EXPERIENCE
New York University, New York, NY — Aug. 2005–Present
Stern School of Business
Research Assistant for Joshua Livnat, Joshua Ronen, Paul Zarowin

LECG, New York, NY — Jul. 2002–Aug. 2005
Research Associate
Consulting for securities litigations, forensic accounting investigations and transfer pricing valuations.

AT&T, Bridgewater, NJ — Jun.–Aug. 1999, 2000
Summer Intern, Corporate Finance.

McNeil Consumer Healthcare, Fort Washington, PA
Co-Op, Operations Accounting. — Jan. 2000–Jun. 2000

HONORS
AAA/Deloitte/J. Michael Cook Doctoral Consortium Fellowship, 2007
NYU Stern School of Business, Doctoral Fellowship, 2005-2009

BACKGROUND
Fluent in Russian; U.S. citizen.
Interests: art, photography, literature, cuisine.

REFERENCES

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ABSTRACTS OF PUBLICATIONS AND WORKING PAPERS

"Individual Investors' Attention to Accounting Information: Message Board Discussions" ***job market paper***

Accounting standard setters and financial information providers are interested in individual investors' use of accounting information, but find it difficult to assess with conventional data sources. Financial message boards provide a unique medium to analyze individuals' attention to accounting information on a large scale and in great detail. I examine accounting-related content in 1.94 million messages for 1,858 firms and find that individual investors pay considerable attention to accounting information. In accordance with the expectation that investors react to relevant information events, I find that accounting-related discussion is significantly elevated around earnings releases, 10-Q reports, and 8-K reports. I also examine whether investors expand their accounting information acquisition and processing efforts in poor information climates. I show that accounting-related discussion increases in an environment of greater uncertainty, measured by information availability (analyst coverage), information precision (analyst forecast dispersion), and information ambiguity (trading volume). Lastly, I propose that greater attention to accounting information should be associated with evidence of a better-informed investor. In accordance with this hypothesis, I find that higher accounting discussion around earnings announcements is associated with a reduction in information asymmetry and a reduction in the post earnings announcement drift.

"The New Form 8-K Disclosures" with Joshua Livnat (New York University), forthcoming ***Review of Accounting Studies***

The Securities and Exchange Commission (SEC) has mandated new disclosure requirements in Form 8-K, which became effective on August 23, 2004. The SEC expanded the list of items that have to be reported and accelerated the timeliness of these reports. This study examines the market reactions to 8-Ks filed under the new SEC regime and investigates whether periodic reports (10-K/Qs) became less informative under the new 8-K disclosure rules. We observe that the newly required 8-K items constitute over half of all filings and that most firms disclose the required items within the new shortened period (four business days). We find that all disclosed items (old and new) are associated with abnormal volume and return volatility around both the event and the SEC filing dates, and some items have significant return drifts after the SEC filings. Surprisingly, we find that the information content of periodic reports has not diminished by the more expansive and timely 8-K disclosures under the new guidance, possibly indicating that investors may use periodic filings to interpret the effects of material events that had been disclosed earlier.

"Double Surprise into Higher Future Returns" with Joshua Livnat (New York University) and Richard R. Mendenhall (University of Notre Dame), ***Financial Analyst Journal*** **63(4)**

Post-earnings-announcement drift is the well-documented ability of earnings surprises to predict future stock returns. Despite nearly four decades of research, little has been written about the importance of how earnings surprise is actually measured. We compare the magnitude of the drift when historical time-series data are used to estimate earnings surprise with the magnitude when analyst forecasts are used. We show that the drift is significantly larger when analyst forecasts are used. Furthermore, we show that using the two models together does a better job of predicting future stock returns than using either model alone.

"Who, if Anyone, Reacts to Accrual Information?" with Robert H. Battalio (University of Notre Dame), Joshua Livnat (New York University) and Richard R. Mendenhall (University of Notre Dame), revise and resubmit to *The Journal of Accounting and Economics*

We confirm the value of accruals information to investors and propose a trading strategy, using earnings surprises and accruals, that outperforms prior strategies. Given the usefulness of accruals levels, investors should trade on it as soon as it becomes available. While the vast majority of investors seem to ignore accruals information when it becomes public, investors initiating trades of at least 5,000 shares tend to trade in the correct direction immediately upon the 10-K/Q filing date when accruals information is released. This tendency is limited, however, to cases where earnings convey non-negative news. We provide evidence suggesting that rational behavior combined with short sales constraints may explain large traders' asymmetric response to accruals information. Those investors initiating the smallest trades appear to respond to accruals in the wrong direction. Additional tests suggest that their behavior might be explained by their attraction to attention grabbing stocks.

"Anticipatory and Implementation Effects of FIN 46 on the Behavior of Different Market Participants" with Umit G. Gurun (University of Texas at Dallas) and Joshua Ronen (New York University), under review at *Review of Accounting Studies*

We examine whether FASB-mandated modifications of the consolidation rules (FIN 46 and FIN 46R) resulted in perceptible changes in market participants' decisions as manifested in a variety of financial indicia. We find that financial analysts' idiosyncratic precision of information decreased and equity market participants acted as if they perceived higher information risk, as evidenced by reduced earnings response coefficients, in anticipation of the guidance. We attribute these effects to a perceived increase in information risk and decrease in accounting information quality. We find that the actual implementation of the new rules reversed some of these effects. On the other hand, we find that information users that likely had access to information regarding the off-balance-sheet debt structures prior to 2001 did not exhibit a similar reaction to the apparent change in information risk either in anticipation or upon implementation of the new guidance. Specifically, we find that banks did not increase the loan spreads for FIN 46 firms and credit rating agencies lowered the ratings of these firms only marginally more than those of other firms. This finding is consistent with our conjecture that these entities were aware of the fundamentals of FIN 46 firms even under the prior limited disclosure regime. Overall, we conclude that the perceived information risk of firms that have previously structured a part of their operations in separate entities increased significantly with the expected promulgation of accounting guidance requiring them to bring in the previously off-balance-sheet assets, liabilities and results of operations into their financial statements. We interpret these results as evidence that these firms previously were assessed as having lower information risk relative to their peers within the equity market.

“The High-Volume Return Premium and Post-Earnings Announcement Drift” with Joshua Livnat (New York University) and Richard R. Mendenhall (University of Notre Dame)

This paper investigates the relationship among trading volume around earnings announcements, earnings forecast errors, and subsequent returns. Prior research finds a positive relation between earnings announcement period trading volume and subsequent returns (the high-volume return premium) and between earnings forecast errors and subsequent returns (post-earnings announcement drift). We find that for a sample of firms followed by analysts these effects are complementary, i.e., each retains incremental ability to predict post-earnings announcement returns. Prior research provides two competing explanations for the high-volume return premium: changes in firm visibility versus differences in risk. We provide evidence that seems to rule out risk-based explanations while supporting the visibility hypothesis.