

Preface

Press release and other investor disclosure by public companies continues to be a major topic in the public financial arena and a basis for civil liability and regulatory enforcement.

This 2024-25 Edition has been updated to include a new section the new SEC advice to companies regarding disclosure of material cybersecurity incidents. Cybersecurity is a growing concern for companies and such entities must be aware of the latest guidance on this significant issue. There are also new press releases in a range of categories including change of control transactions, environmental, management and other personnel matters, product announcements, financial guidance, and unsolicited tender offers.

This handbook is divided into five parts. Chapter 1 begins with an overview of informal disclosure. Chapter 2 describes the legal context for the analysis of informal disclosure. Chapter 3 details the logistical and practical considerations in structuring a corporation's informal disclosure program. Chapter 4 examines the principles of informal disclosure in specific situations, such as public offerings of securities by the corporation.

The Appendices comprise the fifth part and provide sample press releases, forms and source materials. The examples included within Appendix C and Appendix M are presented for illustrative purposes and are not necessarily the best suited for use by our readers.

This handbook is designed as an accessible desk reference for persons responsible for managing their corporation's informal disclosure. It is also intended as a resource for the development and organization of a framework for the preparation and dissemination of informal disclosure. Because of the ambiguous nature of the rules for informal disclosure, few "bright line" tests exist as guidance. Thus, public companies are well advised to develop consistent and reasonable approaches to the preparation of informal disclosure. We believe this handbook will be useful to investor relations officers or other corporate officials who are responsible for their companies' informal disclosure. Finally, because of the unique nature of each instance of informal disclosure, this area is one of the most sensitive and difficult for public companies and therefore we cannot emphasize enough the need for competent legal advice.

Informal disclosure by public companies is a dynamic process. A public company's financial condition and future business prospects can change dramatically in just a few days. Public companies should routinely review both their formal and informal public disclosures to determine if additional public disclosures are necessary or appropriate to correct or update past disclosures or to provide further information to the investing public in a timely and accurate manner.

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