

The Research Centre of the Faculty of Economics
cordially invites you to a research seminar
on **Wednesday, 20th April 2016 at 1 p.m. in P-216** at the **Faculty of
Economics, University of Ljubljana**

Author: **Dr. Nadia Massoud, Melbourne Business School The University of
Melbourne**

Coauthors: **Saif Ullah (John Molson School of Business, Concordia
University) and Barry Scholnick (School of Business, University of Alberta)**

will present the article:

"Does It Help Firms to Secretly Pay for Stock Promoters?"

“We examine deals between listed firms and promoters who have been secretly hired to increase their stock prices. This behavior by the secret promoter is illegal (and leads to prosecution) but the actions of the hiring firm are legal. We use data from these prosecutions to analyze the behavior and motivations of the hiring firms. We find that secret promotion leads to an initial increase in the price and trading volume of the firms on the date that the secret promotion started. Subsequently, however, we find that this increase in price is reversed when regulators (e.g. SEC or NASD) take action against these promoters for not disclosing their relationships with the hiring firms. We find that the main motives behind these relationships are to maximize the private benefits of the firm’s managers and owners, to increase corporate visibility and to achieve other corporate objectives such as raising capital.”

You can register for the free seminar by phone (01) 58-92-490, or via e-mail:

research.seminars@ef.uni-lj.si by Tuesday, 19th April 2016.

You can find all information regarding future research seminars on following link:

http://www.ef.uni-lj.si/raziskovanje/seminarji_in_konference

We look forward to seeing you!