

March 10, 2026

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

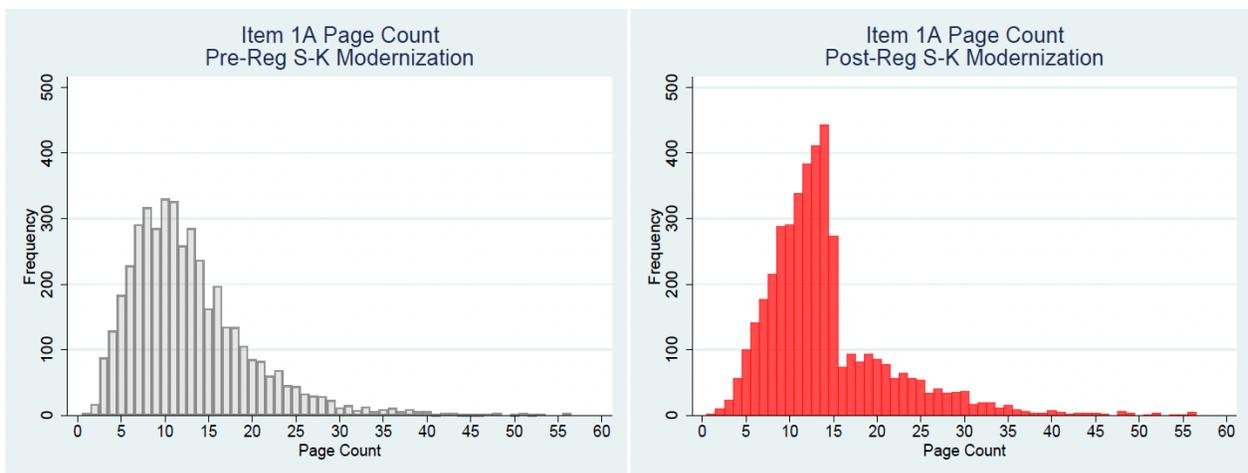
Re: Statement on Reforming Regulation S-K

Dear Ms. Countryman,

We appreciate the opportunity to comment on the Commission’s comprehensive review of Regulation S-K. We are professors of accounting at the University of Wisconsin, the University of Texas at Austin, The Ohio State University, and Texas A&M University. We write to share findings from our research that are directly relevant to the Commission’s review, particularly regarding Item 105 (Risk Factors).

Our study, “Disclosure Management: Evidence from Regulatory Threshold Avoidance,” examines how firms responded to the 2020 amendments requiring a risk factor summary when Item 1A exceeds 15 pages. We summarize our key findings in the three points below.

1. *The 15-page threshold prompted firms to shorten their risk factor disclosure to avoid the summary.* After the Rule took effect, firms with risk factor disclosures just above 15 pages shortened their disclosures to fall below the 15-page threshold. The combined 2021 market capitalization of firms that appear to shorten their risk factor disclosures to avoid the summary exceeds \$2.6 trillion, roughly 8% of the 2021 S&P 500 market capitalization.



2. *Legal and regulatory uncertainty appears to have driven the summary avoidance behavior.* Firms most sensitive to legal and regulatory risk were the most likely to shorten their disclosures: those that had recently received SEC comment letters on non-risk-factor matters

and those with powerful general counsel. Without clear guidance on what would constitute an adequate summary or how courts might treat it in litigation, firms appear to have viewed providing one as introducing more legal risk than it was worth.

3. *The summary requirement does not appear to benefit investors.* We find no evidence that the summary improved the information environment. In practice, most firms that provided a summary simply copied their existing risk factor subcaptions into the summary, offering investors nothing they couldn't already find by simply reading the subcaptions themselves. Additionally, using multiple measures of the market response to shrinking, we find no evidence that summary disclosures help or harm investors.

Our findings suggest that the Commission should reconsider the Item 105(b) summary requirement. The requirement does not appear to have achieved its stated objective of improving risk factor disclosures for investors. Instead, it induced disclosure management around the 15-page disclosure threshold and led to legal and regulatory uncertainty for firms.

We respectfully urge the Commission to consider these findings as it evaluates reforms to Item 105. We are happy to discuss our research with the Commission and its staff at their convenience. A copy of our study is available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5360049.

We thank you for considering our comments.

Respectfully submitted,

Dain C. Donelson, University of Wisconsin
Christian M. Hutzler, University of Texas at Austin
Brian R. Monsen, The Ohio State University
Christopher G. Yust, Texas A&M University