

Figure 1

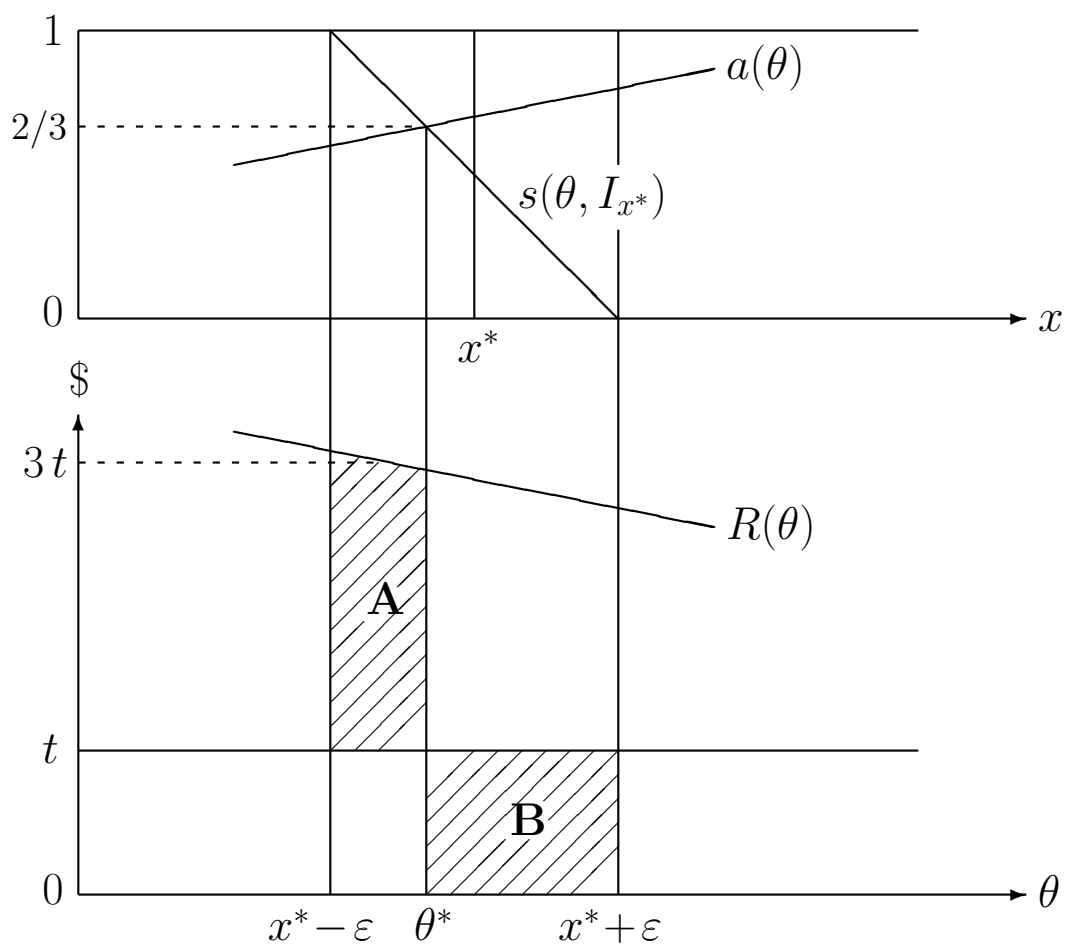


Figure 1 *Equilibrium switching signal x^* and threshold θ^* .*

Figure 2

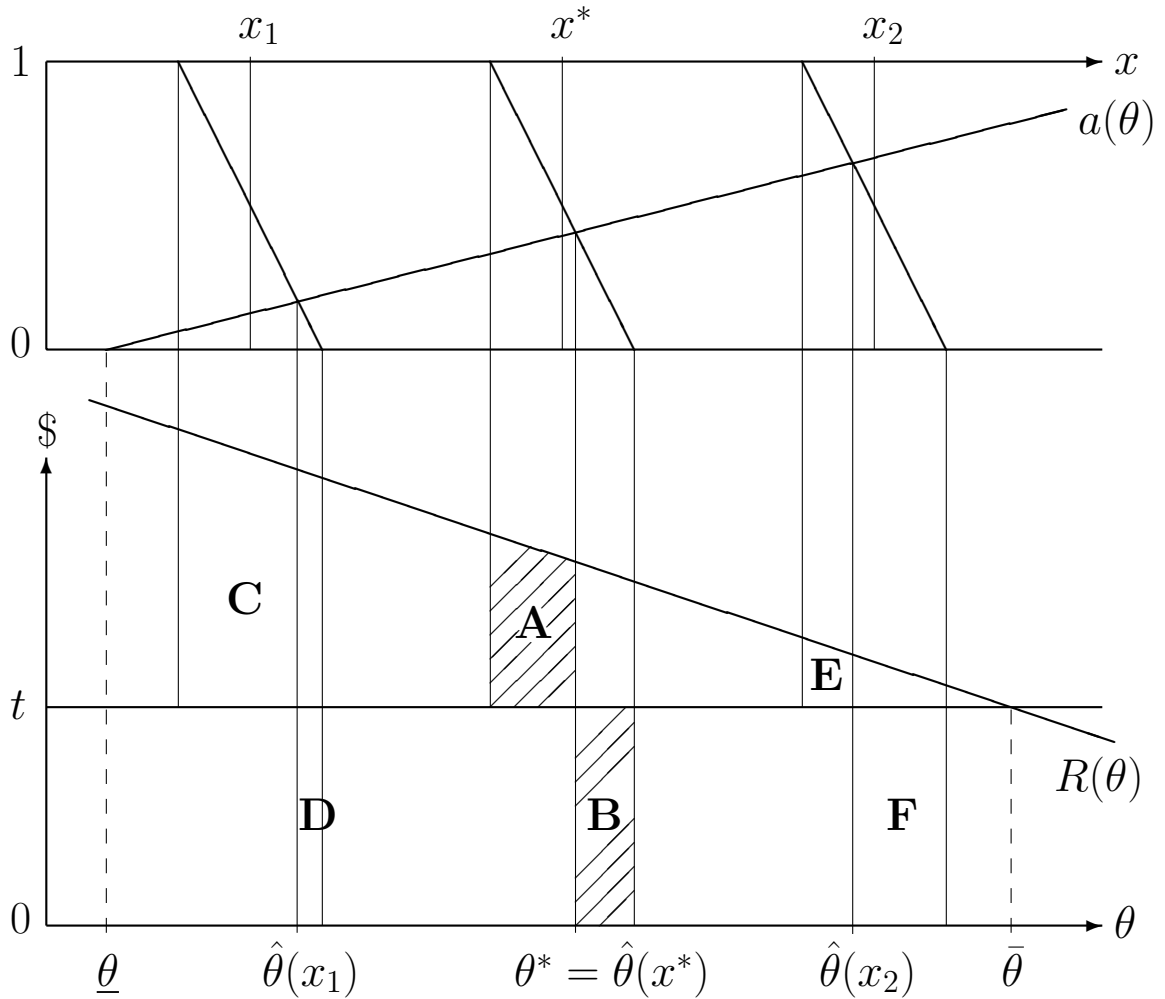


Figure 2 *Unique equilibrium for uniform distributions of state and signals.*

Figure 4

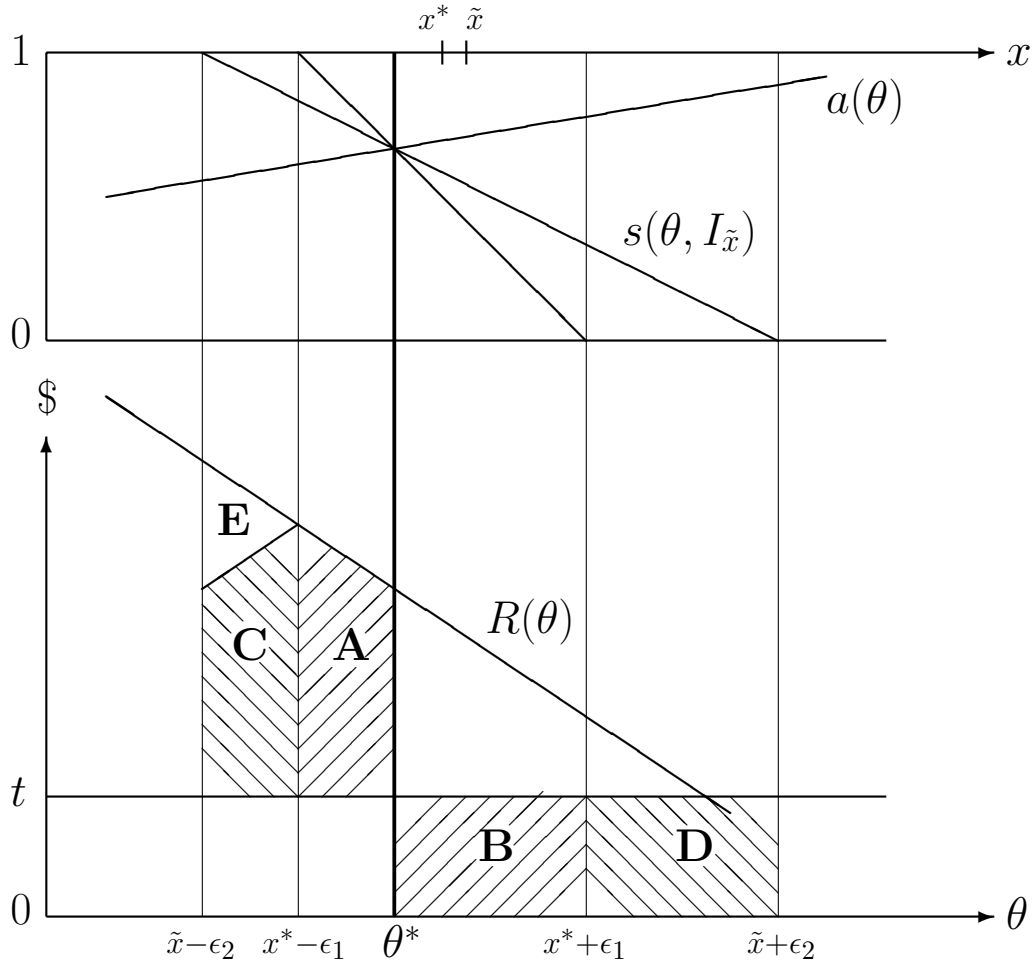


Figure 4 Growing dispersion in private information increases θ^* . Areas A and B are of equal size, so that x^* and θ^* are the equilibrium switching point and threshold for signals distributed uniformly in an ϵ_1 surrounding of the true state. If dispersion is increased to ϵ_2 and strategies are adjusted to $I_{\tilde{x}}$, such that the threshold remains θ^* , then expected gains are given by $A + C + E$ and exceed expected losses $B + D$ by the triangular area E.