SEC COMMENT LETTERS

DOS AND DON'TS

The SEC reviews public company filings at least once every three years, with many companies selected for more frequent review. Comments are issued in response to registrant disclosures and other publicly available information, including press releases and analyst calls. Understanding this process and preparing comprehensive responses can help resolve issues quickly, yielding a shorter timeline. Keep these Do's and Don'ts in mind when responding to SEC comments.

DO'S

DO EVALUATE MATERIALITY EARLY.

Management should bring any matters considered immaterial to the SEC staff's attention in order to focus efforts on material items.

DO ASK QUESTIONS.

Clarity regarding SEC comments enables management to properly understand and address them.

DO PROVIDE CONTEXT.

Including analysis of authoritative literature helps the SEC understand how the company's disclosures are factually supportable by the guidance.

DO ADVOCATE FOR YOUR DISCLOSURES.

Explaining the rationale and context behind disclosures will facilitate staff understanding.

DO CONSIDER THE IMPACT ON UPCOMING COMPANY FILINGS.

Management can address comments in subsequent filings or request additional time to analyze responses.

DON'TS

DON'T RUSH.

While responses are typically required within ten days, additional time may be granted.

DON'T SELECTIVELY RESPOND.

Responding thoughtfully to all questions can limit subsequent requests and shorten the overall timeline.

DON'T RELY ON COMPARISONS.

Filings of companies that have undergone similar challenges may provide insight, but the scope and resolution of each review is different.

DON'T REVISE JUST TO RESOLVE.

If management believes a disclosure is appropriate and supportable, it can provide additional context instead of revisions.

DON'T FORGET THE FOLLOW UP.

Scheduling a call with key stakeholders can eliminate confusion when staff questions go beyond requests for minor clarification.