

APPENDIX A / THE OTHER SIDE OF THE TABLE

The SEC Comment Letter Response Checklist

A disciplined response process for comments on a public filing.

- 1 Log the letter. Record the date received, the filing reviewed, the staff contacts, and the requested response date.
- 2 Circulate immediately to management, the audit committee chair, the auditor, and counsel.
- 3 Classify each comment: revise disclosure, provide supplemental information, explain analysis, or confirm consideration.
- 4 Map every comment to every place the subject appears: business, risk factors, MD&A, financial statements, notes, exhibits, website, and investor materials.
- 5 Assign an owner for each comment, with the auditor owning accounting positions jointly with management.
- 6 Draft answers that respond to the question asked, with support, and without new unsupported assertions.
- 7 Decide the path for each revision: amendment now, or revision in future filings, and document the materiality reasoning.
- 8 Consider whether any comment implicates prior financial statements and a potential non-reliance 8-K.
- 9 Identify any information for which confidential treatment is appropriate and follow the Commission's procedure.
- 10 Assume publication. Reread the whole response as an investor, a plaintiff, and a future enforcement attorney would.
- 11 Reconcile legal, accounting, and business answers so they say the same thing.
- 12 Show the change: cite the page or section where each revision appears.
- 13 File on time, or contact the staff before the date if more time is genuinely needed.
- 14 Calendar follow-up and track any commitments made for future filings.
- 15 Archive the complete file, including drafts and the reasoning behind each position.

Terms to know

Comment letter

Written comments from the SEC's Division of Corporation Finance on a company's filing.

Materiality

Whether a reasonable investor would consider information important, in light of the total mix of information.

MD&A;

Management's Discussion and Analysis of Financial Condition and Results of Operations.

Form 12b-25

The notification of late filing for a periodic report, which can provide a short extension if properly filed.