



The U.S. Securities and Exchange Commission Filing Review Process

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Filing Review Process



2010
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
STATISTICS D.C. 20549
FORM 10-K
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended October 31, 2010
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____
Commission File Number 000000

Insert Your Company Name

Securities registered pursuant to Section 12(b) of the Act: _____
Title of each class _____
Common Stock, without par value (1,000,000,000 shares) _____
New York Stock Exchange
Listed on _____
Registered securities authorized by Exchange Act: _____
Securities authorized for issuance under equity-based compensation plans: _____
Twenty-Five Year Debt Securities due October 1, 2011 _____ New York Stock Exchange
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes No
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the
Act: Yes No
Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities
Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2)
has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted to the SEC during the preceding 12 months (or for such shorter period
that the registrant was required to submit and post such files) all electronic copies of all reports that the registrant is required to submit and post such files. Yes No
Indicate by check mark if disclosure of delinquent registrant information pursuant to Item 405 of Regulation S-K is not contained herein, and will not be
contained, on the basis of registrant's knowledge, in definitive proxy or information statements transmitted by reference to Part III of this
Form 10-K or any amendment to this Form 10-K. _____
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller
reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the
Exchange Act. _____
Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes No
The aggregate market value of the voting stock held by non-officers and directors of the registrant on June 30, 2010, the last business day of the
registrant's most recently completed annual fiscal quarter, based on the closing price as of 4:07:07 on the New York Stock Exchange
computer tape, was \$_____.
Documents Incorporated by Reference:
Proxy Statement for the 2011 Annual Meeting of Shareholders (Part III)

Areas of Our Discussion

- Roles of the U.S. Securities and Exchange Commission and Division of Corporation Finance
- Standards and Requirements to Uphold
- Filing Review Process
- Importance of Maintaining Standards

Introduction



Roles of the U.S. Securities and Exchange Commission
and the
Division of Corporation Finance



Mission and Objectives

- ❖ The U.S. Securities and Exchange Commission's mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.



Division of Corporation Finance

- The Division of Corporation Finance supports the Commission's mission by ensuring that investors are provided with material information in order to make informed investment decisions, both when a company initially offers its securities to the public and on an ongoing basis as it continues to give information to the marketplace.
- The Division also provides interpretive assistance to companies with respect to SEC rules and forms and makes recommendations to the Commission regarding new rules and revisions to existing rules.
- The Division's Office of Natural Resources reviews filings from companies in the Oil and Gas Industry.
- Contact Information: <https://www.sec.gov/corpfin/contact/cf-contact-us.html>

Division of Corporation Finance



The Division of Corporation Finance reviews, on a selective basis, documents that publicly-held companies are required to file with the Commission. The documents include:

- registration statements for newly-offered securities;
- annual and quarterly filings (Forms 10-K and 10-Q);
- proxy materials sent to shareholders before an annual meeting;
- annual reports to shareholders;
- documents concerning tender offers (a tender offer is an offer to buy a large number of shares of a corporation, usually at a premium above the current market price); and
- filings related to mergers and acquisitions.

Overview



Standards and Requirements to Uphold

Laws That Govern the Securities Industry



- **Securities Act of 1933**
- **Securities Exchange Act of 1934**
 - Trust Indenture Act of 1939
 - Investment Company Act of 1940
 - Investment Advisers Act of 1940
- **Sarbanes-Oxley Act of 2002**
 - Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
 - Jumpstart Our Business Startups Act of 2012
- **Rules and Regulations**



Securities Act of 1933



The Registration Process

In general, securities sold in the U.S. must be registered. The registration forms companies file provide essential facts. In general, registration forms call for:

- a description of the company's properties and business;
- a description of the security to be offered for sale;
- information about the management of the company; and
- financial statements certified by independent accountants.

➤ For information on form types for both domestic and foreign private issuers refer to: <https://www.sec.gov/forms>



Securities Act of 1933



Objectives:

- Requires that investors receive financial and other significant information concerning securities being offered for public sale; and
- Prohibits deceit, misrepresentations, and other fraud in the sale of securities.

Securities Exchange Act of 1934



Corporate Reporting

- Companies with more than \$10 million in assets whose securities are held by either 2,000 or more record holders or 500 or more owners who are not accredited investors must file annual and other periodic reports.
- For example, domestic reporting companies must submit annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K for a number of specified events and must comply with a variety of other disclosure requirements.

Following are the deadlines for companies to file Forms 10-K and 10-Q:

Category of Filer (public float)	Revised Deadlines For Filing Periodic Reports	
	Form 10-K Deadline	Form 10-Q Deadline
Large Accelerated Filer (\$700MM or more)	60 days	40 days
Accelerated Filer (\$75MM or more and less than \$700MM)	75 days	40 days
Non-accelerated Filer (less than \$75MM)	90 days	45 days

- For additional information on form types for both domestic and foreign private issuers refer to: <https://www.sec.gov/forms>

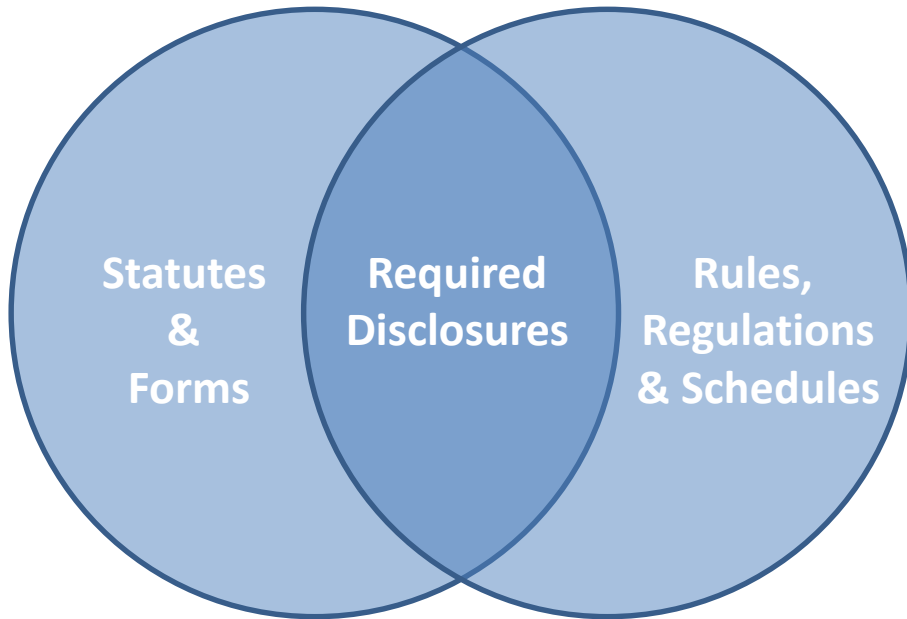
Securities Exchange Act of 1934



Objectives Relating to Public Company Reporting:

- Requires companies to make periodic reports on the current condition of the company since initial registration.
- The Act also identifies and prohibits certain types of conduct in the markets.

Required Disclosures



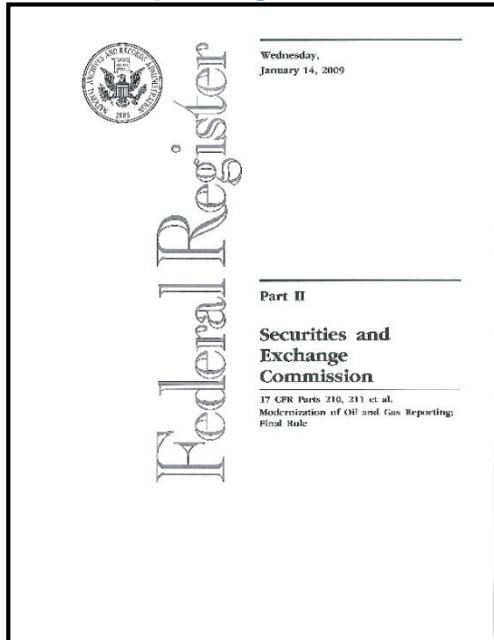
The screenshot shows the U.S. Securities and Exchange Commission website. The page title is "Statutes, Rules and Forms". The left sidebar contains a navigation menu with the following items: Corporation Finance, About, Accounting and Financial Reporting Guidance, Compliance and Disclosure Interpretations, Filing Review Process, Financial Reporting Manual, No-Action, Interpretive and Exemptive Letters, **Statutes, Rules and Forms** (highlighted), Small Business, and Contact Us. The main content area lists the following sections:

- Statutes**
 - Securities Act of 1933
 - Securities Exchange Act of 1934
 - Trust Indenture Act of 1939
 - Sarbanes-Oxley Act of 2002
 - Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
 - Jumpstart Our Business Startups Act of 2012
- Rules**
 - Rules, Regulations and Schedules under the Securities Act, Exchange Act and Trust Indenture Act
- Forms**
 - Securities Act Forms
 - Exchange Act Forms
 - Trust Indenture Act Forms
- Information for Certain Types of Transactions and Filers**
 - Beneficial Ownership Reporting
 - Going Private Transactions
 - Proxy Solicitations
 - Tender Offers

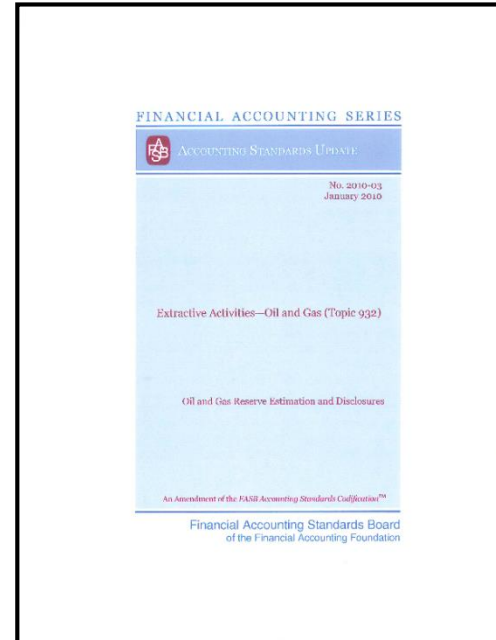
Rules, Regulations and Required Disclosures for Oil and Gas Issuers



Modernization of Oil and Gas Reporting; Final Rule



FASB Topic 932



Sarbanes-Oxley Act of 2002



Signed into Law on July 30, 2002

The Act mandated a number of reforms to enhance corporate responsibility, enhance financial disclosures and combat corporate and accounting fraud, and created the "Public Company Accounting Oversight Board," also known as the PCAOB, to oversee the activities of the auditing profession.

Required and Selective Review

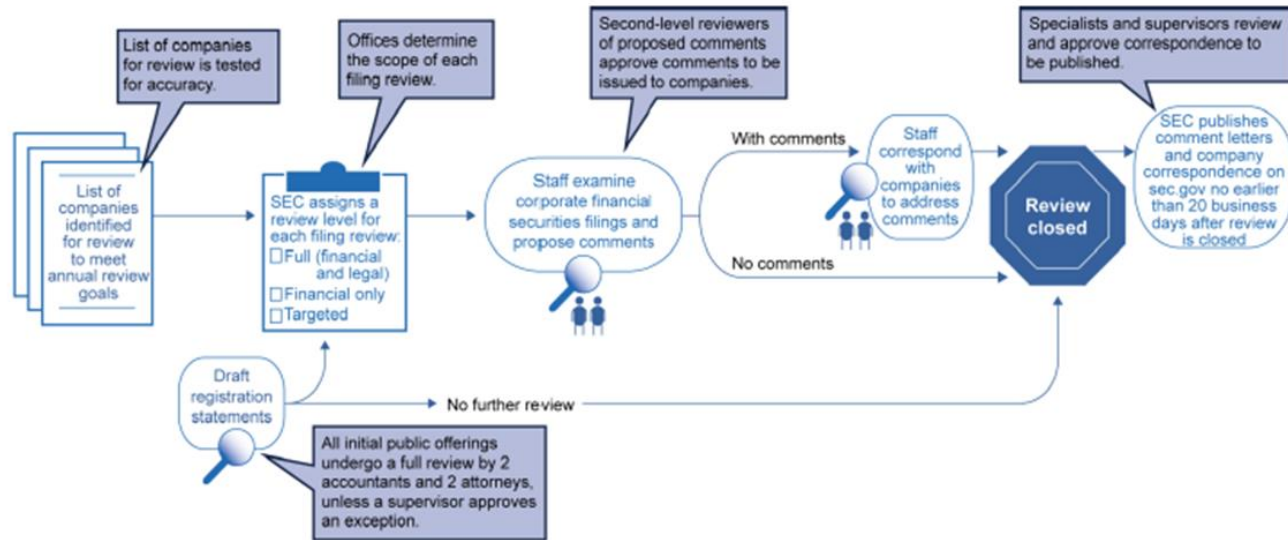
As required by the Sarbanes-Oxley Act of 2002, the Division of Corporation Finance undertakes some level of review of each reporting company at least once every three years and reviews a significant number of companies more frequently.

Reporting and Disclosure

Filing Review Process



Overview of the Disclosure Review and Comment Letter Process



Internal control(s) used at this stage in the process
 SEC Securities and Exchange Commission

Source: GAO summary of Securities and Exchange Commission information. | GAO-17-16

Scope of Reviews



The Division selectively reviews filings to monitor and enhance compliance with the applicable disclosure and accounting requirements. In its filing reviews, the Division concentrates its resources on critical disclosures that appear to conflict with Commission rules or the applicable accounting standards and on disclosure that appears to be materially deficient in explanation or clarity.

If the Division selects a company or a filing for review, the extent of that review will depend on many factors, including the criteria set forth in Section 408 of the Sarbanes-Oxley Act and the factors identified through our selective review criteria.

The scope of a review may be:

- **a full cover-to-cover review;**
- **a financial statement review;** or
- **a targeted issue review.**



Improving or Enhancing Disclosure



Much of the Division's review involves evaluating the disclosure from a potential investor's perspective and asking questions that an investor might ask when reading the document.

When the staff identifies instances where it believes a company can improve its disclosure or enhance its compliance with the applicable disclosure requirements, it provides the company with comments. The range of possible comments is broad and depends on the issues that arise in a particular filing review.

The staff completes many filing reviews without issuing any comments.



Staff Comments

Comments Reflect The Company's Facts and Circumstances

The staff's comments are based on a company's disclosure and other public information and reflect its understanding of that company's facts and circumstances. In comments, the staff may request that a company provide additional supplemental information so the staff can better understand the company's disclosure.



Role of the Reviewer

In addition to a first level examiner, in nearly all cases a second person reviews a filing and proposed comments to help achieve consistency in comments across filing reviews. We refer to this person as the reviewer.



Seeking Clarification

Who to Contact

If a company does not understand a comment or the staff's purpose in issuing a comment, it should seek clarification from the examiner before it responds. If the company does not understand the comment after discussing it with the examiner, it may wish to speak to the reviewer who approved the comment before the Division issued it. To make it easier for a company to identify the appropriate people to contact about a filing review, the Division includes the names and phone numbers of the staff members involved in that review in each of its comment letters.

Division staff members, at all levels, are available to discuss disclosure and financial statement presentation matters with a company and its legal, accounting, and other advisors.



Company Response to Comments



A company generally responds to each comment in a letter to the staff and, if appropriate, by amending its filings. A company's explanation or analysis of an issue will often resolve a comment.

Depending on the nature of the issue, the staff's concern, and the company's response, the staff may issue additional comments following its review of the company's response to its prior comments.

This comment and response process continues until the staff and the company resolve the comments.





Closing a Filing Review

Securities Act of 1933

When a company has resolved all Division comments on a Securities Act registration statement, the company may request that the Commission declare the registration statement effective so that it can proceed with the transaction. When taking that action, the Division, through authority delegated from the Commission, gives public notice on the SEC's EDGAR system that the registration statement is effective.



Securities Exchange Act of 1934

When a company has resolved all Division comments on an Exchange Act registration statement, a periodic or current report, or a preliminary proxy statement, the Division provides the company with a letter to confirm that its review of the filing is complete.



Requests for Revised Filings

A Review May Result in Requests to:

- Revise the disclosure in a document on file with the SEC*
 - Amendments to text or factual information
- Provide additional disclosure in a document on file with the SEC*
- Provide additional or different disclosure in a future filing with the SEC

*File the revised or corrected document in EDGAR as an amendment for public disclosure



Mandatory Release of Information

Increased Transparency of the Review Process

When the Division completes a filing review it makes its comment letters and company responses to those comment letters public on the SEC's EDGAR system. The SEC began publicly releasing comment letters between the SEC staff and SEC filers in 2005 for filings made after August 1, 2004.

Timing on Release of Correspondence

The Division makes this correspondence public no earlier than 20 business days after it has completed its review of a periodic or current report or declared a registration statement effective.



Information About EDGAR



Electronic Data Gathering, Analysis, and Retrieval system

- Performs automated collection, validation, indexing, acceptance, and forwarding of submissions by companies and others who are required by law to file forms with the U.S. Securities and Exchange Commission (SEC)
- Intended to accelerate the receipt, acceptance, dissemination and analysis of time-sensitive corporate information filed with the SEC for the benefit of investors, corporations and the economy
- As of May 6, 1996, all public domestic companies are required to make their filings on EDGAR (except filings made in paper because of a hardship exemption)
- As of November 4, 2002, foreign companies and foreign governments are required to make their filings on EDGAR

Confidential Treatment



Rule 83 (17 CFR 200.83)

The Commission's Rule 83 (17 CFR 200.83) provides a procedure by which persons submitting information may request that it be withheld when requested under the Freedom of Information Act. A confidential treatment request will expire 10 years from the date of the FOIA Office receives it, unless that Office receives a renewal request before it expires.



- Allows filers to request confidential treatment for some portions of a response to a comment
- SEC will only make the redacted version, which omits the confidential information, publicly available on EDGAR



Limitations of Using Comment Letters



Comments are formulated based on the staff’s **“understanding of that company’s facts and circumstances.”**

Caution should be exercised when **attempting to interpret the exchange of comments and responses contained in comment letters as a proxy or substitute for SEC guidance.**

Not all of the facts considered and discussed may be part of the public record as certain information may be subject to confidential treatment under Rule 83 or the object of private phone conversations between the SEC staff and the filer.

Importance of Maintaining Standards



Sarbanes-Oxley Act of 2002
and the
Division of Enforcement

Individual Accountability



From the 31 March 2001 SEC Interpretations and Guidance:

“The SEC staff reminds professionals engaged in the practice of reserve estimating and evaluation that the Securities Act of 1933 subjects to potential civil liability every expert who, with his or her consent, has been named as having prepared or certified any part of the registration statement, or as having prepared or certified any report or valuation used in connection with the registration statement. These experts include accountants, attorneys, engineers or appraisers.”

Division of Enforcement



Actions

Each year the SEC brings hundreds of civil enforcement actions against individuals and companies for violation of the securities laws. Typical infractions include insider trading, accounting fraud, and providing false or misleading information about securities and the companies that issue them.

Sources

The Division obtains evidence of possible violations of the securities laws from many sources, including market surveillance activities, investor tips and complaints, other Divisions and Offices of the SEC, the self-regulatory organizations and other securities industry sources, and media reports.

Investigations

All SEC investigations are conducted privately. Facts are developed to the fullest extent possible through informal inquiry, interviewing witnesses, examining brokerage records, reviewing trading data, and other methods. With a formal order of investigation, the Division's staff may compel witnesses by subpoena to testify and produce books, records, and other relevant documents. Following an investigation, SEC staff present their findings to the Commission for its review. The Commission can authorize the staff to file a case in federal court or bring an administrative action. In many cases, the Commission and the party charged decide to settle a matter without trial.

Questions



Acknowledgements



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