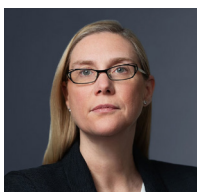
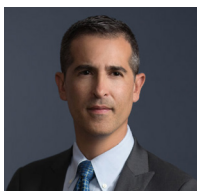


IPO Prospectuses: Avoiding and Responding to Common SEC Comments

A Practical Guidance® Practice Note by
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This practice note explores the most common issues raised by the U.S. Securities and Exchange Commission (SEC) during its review of IPO prospectuses, offering insights into how companies can anticipate and respond to these inquiries. It begins by outlining the SEC's review process, emphasizing the importance of clarity, completeness, and compliance in disclosures. The document then delves into frequent areas of SEC scrutiny, such as the use of plain English, avoiding redundancy, and substantiating claims with credible data. It also discusses the need for expert consents, proper exhibit filings, and accurate use of non-GAAP financial measures. Additional focus is placed on ensuring balanced disclosures in risk factors and MD&A sections, particularly regarding financial projections, liquidity, and key performance metrics. The guidance extends to emerging growth companies, foreign private issuers, and those using testing-the-waters communications. It also addresses regulatory expectations around cybersecurity, climate-related risks, and exclusive forum provisions. Throughout, the document uses real SEC comment letter excerpts and company responses to illustrate best practices and common pitfalls. This practice note serves as a practical resource for legal and compliance professionals preparing IPO filings, helping them navigate the SEC's expectations and reduce the likelihood of prolonged review cycles.

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Jennifer Zepralka, Partner, Mayer Brown LLP

Jennifer Zepralka offers clients years of experience advising public companies on their obligations under the federal securities laws and on related corporate governance requirements. She also works with growth companies as they seek to raise capital under the federal securities laws and become public companies. Jennifer is the former Chief of the Office of Small Business Policy in the US Securities and Exchange Commission's Division of Corporation Finance and has also held other roles within the Division over her years with the Commission.

At the SEC's Office of Small Business Policy, Jennifer was responsible for administering the securities laws and regulations that particularly affect small businesses, including the smaller reporting company requirements, as well as the capital-raising exemptions from Securities Act registration. She was also responsible for interpreting and administering Regulation D, which is used by issuers of all sizes to raise amounts of capital that exceed the amount raised annually in registered offerings. Jennifer led the Division's efforts on substantial revisions to the exempt offering framework, from the 2019 concept release through the 2020 adoption of changes to the accredited investor definition and rule amendments intended to harmonize and simplify the offering exemptions. Jennifer also played a key role in the drafting and implementation of the pay versus performance disclosure rules and participated in the recently adopted amendments to the SPAC rules.

Jennifer advises public companies with SEC disclosure documents and provides advice on reporting obligations, including compliance with SEC executive compensation disclosure requirements and Section 13 and Section 16 reporting. She advises on corporate governance matters, including advice regarding director independence, board committee structure and charters, codes of conduct, corporate governance guidelines, controls and procedures, CEO and CFO certifications, and NYSE and Nasdaq requirements.

For emerging companies, Jennifer provides practical advice on federal securities law compliance in connection with capital raising activities, including private placements of debt and equity under Regulation D, Section 4(a)(2), or other Securities Act exemptions from registration. Jennifer also advises companies, particularly in the fintech sector, on the securities law implications of their business models. Jennifer also advises pre-IPO companies on preparation for their initial public offerings.

Jason W. Parsont, Partner, Mayer Brown LLP

Jason W. Parsont maintains a broad capital markets practice, advising on registered and exempt offerings of securities across industries, including real estate/REITs, mortgage and specialty finance, financial services, data centers, energy, consumer goods and aviation. He advises issuers, underwriters, investors and other parties in capital-raising and liability management transactions, including initial public offerings, at-the-market offering programs, follow-on common and preferred stock offerings, convertible and exchangeable notes offerings, investment-grade and high-yield debt offerings, debt tender and exchange offers and investments in private equity and debt. He also assists domestic and foreign private issuers with ongoing securities law compliance requirements, SEC public reporting obligations, listing standards of the major US stock exchanges and other governance matters.

Jason has been recognized by *The Legal 500 US* for his work with REITs. Prior to joining the firm, he was a partner at another international law firm in New York. Jason clerked for the Honorable Paul C. Huck of the United States District Court for the Southern District of Florida and was a lecturer-in-law at Columbia Law School.

Gonzalo Go, Associate, Mayer Brown LLP

Gonzalo Go represents companies, investment banks and sponsors in public and private offerings of equity and debt securities, including initial public offerings, business combinations with special purpose acquisition companies (SPACs), shelf registration statements, follow-on offerings, medium-term note programs, issuances exempt from registration, investment-grade debt offerings and securitizations. G advises public companies on stock exchange listing applications, maintenance and transfers; securities law reporting and regulatory compliance requirements; and general corporate governance matters.

The International Financial Law Review's (IFLR) IFLR1000 guide for 2023 & 2024 ranked G as Rising Star for both Equity Capital Markets and Debt Capital Markets in the United States and the State of New York. IFLR Americas Awards named G as Rising Star for 2023, and the "VAALCO - TransGlobe merger" he assisted in was shortlisted as 2023 M&A Deal of the Year.

G earned his LL.M. from Columbia Law School, where he served as a student senator and graduated as the class speaker, a Harlan Fiske Stone scholar and a recipient of the Parker School Recognition of Achievement in International and Comparative Law. He earned his JD, with honors, from the Ateneo Law School and his BS in Accountancy, with honors, from De La Salle University.

G's prior professional experiences include being (i) a capital markets associate in another global law firm in New York, (ii) an associate general counsel of Jollibee Foods Corporation, a multinational fast-food chain headquartered in the Philippines, where he gained extensive experience in managing legal risks in various business activities, such as business development and expansion, customer relations, operations, real estate, franchising, marketing, human resources, purchasing, finance, corporate communications, tax and government relations, (iii) a faculty member of the Ateneo Law School and (iv) a tax associate at SyCip Salazar Hernandez & Gatmaitan, a top-tier law firm in the Philippines. G is also a lawyer and a certified public accountant in the Philippines.

In the American Bar Association's (ABA) Business Law Section, G serves as chair of the 2SLGBTQIA+ Subcommittee of the Diversity & Inclusion Committee (2022-present) and vice chair of the Annual Review of Federal Securities Regulation Subcommittee of the Federal Regulation of Securities Committee (2022-present). He was a Business Law Fellow (2022-2024) and a drafting committee lead for the [ABA's comment letter on the SEC's proposed rules on SPACs](#). G was named a 2023 ABA On the Rise - Top 40 Young Lawyer.

G is a member of the firm's New York Pro Bono Committee.

Evan J. Eldridge, Associate, Mayer Brown LLP

Evan J. Eldridge represents issuers, investment banks and other financial institutions in a wide range of public and private offerings of debt and equity securities, including investment grade debt offerings, shelf registration statements, follow-on offerings, medium-term note programs, at-the-market offerings, initial public offerings, issuances exempt from registration and deSPAC transactions. Evan also advises public companies on securities law reporting and regulatory compliance obligations, stock exchange listing requirements and general corporate governance matters.

Evan earned his JD from Brooklyn Law School, where he was an Executive Articles Editor of the Brooklyn Journal of International Law. Before attending law school, Evan served as a Transportation Officer in the United States Army. Evan earned his BA from the Pennsylvania State University.

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