

## Internet Appendix I: Founding Years of the IPO Companies

This dataset is an addition to the Jay Ritter's data on the founding year of the IPOs for the companies which went public between 2005 and 2016. The information is manually extracted from companies' prospectuses or Wikipedia webpages.

Issuer (as appears in SDC Platinum)	Issue Date	Founding Year	PERMNO	GVKEY
Majesco Holdings Inc	01/25/05	1986	90539	122916
Beach First Natl Bancshares	06/08/05	1996	90719	115555
Franklin Credit Mgmt Corp	07/20/05	1988	90809	106524
US Airways Group Inc	09/27/05	1939	90893	1382
Appalachain Bancshares	10/05/05	1996	90947	112533
CapitalSouth Bancorp	12/12/05	1990	91016	165732
BCB Bancorp Inc	12/13/05	2000	91015	147312
Tidelands Bancshares Inc	10/03/06	2002	91508	162349
Alliance Bancorp Inc of PA	01/25/07	1938	91731	31576
Coleman Cable Inc	02/28/07	1970	91891	165640
First Capital Bancorp	06/14/07	2006	92094	118046
ZBB Energy Corp	06/15/07	1986	92155	272699
MMC Energy Inc	06/28/07	2003	92098	166229
Silver State Bancorp,NV	07/17/07	1996	92208	65589
Meridian Interstate Bancorp	01/22/08	1848	92523	179298
Territorial Bancorp Inc	07/13/09	1921	92987	183247
KIT digital Inc	08/12/09	1998	93007	141240
Penn Millers Holding Corp	10/16/09	1999	93086	182307
OBA Financial Services Inc	01/18/10	1861	93235	183580
OmniAmerican Bancorp Inc	01/21/10	1956	93234	184180
Celsius Holdings Inc	02/09/10	2004	93263	175269
GenMark Diagnostics Inc	06/01/10	2010	93393	184542
Zoo Entertainment Inc	07/07/10	1990	12032	176954
Oconee Federal Financial Corp	01/14/11	1924	12502	185569
Wolverine Bancorp Inc	01/19/11	1933	12509	186290
Anchor Bancorp	01/26/11	2008	12498	181515
MedQuist Holdings Inc	02/04/11	2007	12581	285536
Franklin Financial Corp	04/28/11	2001	12688	186084
First Connecticut Bancorp Inc	06/29/11	1851	12884	186344
State Investors Bancorp Inc	06/30/11	1926	12921	187132
BSB Bancorp Inc	10/04/11	2011	13037	189860
Pacific Drilling SA	11/10/11	2006	13104	297209
FS Bancorp Inc	07/10/12	1936	13528	181820
Georgetown Bancorp Inc	07/11/12	1868	13529	162717
Puma Biotechnology Inc	10/18/12	2007	13621	170945
United Insurance Holdings Corp	12/10/12	2007	13712	178823
Imprimis Pharmaceuticals Inc	02/07/13	1998	13796	176636
Atlas Financial Holdings Inc	02/11/13	2009	13789	186230
XG Technology Inc	07/18/13	2002	14060	289735
Pioneer Power Solutions Inc	09/19/13	2008	14172	184133
Tri-County Financial Corp	09/26/13	1950	14175	109659
RiceBran Technologies	12/12/13	1998	14355	114415
Retrophin Inc	01/10/14	2008	14440	16848
Coastway Bancorp Inc	01/14/14	1920	14425	19529
Intra-Cellular Therapies Inc	01/30/14	2012	14432	19412
SMTP Inc	01/30/14	1998	14441	186903
National General Holdings Corp	02/20/14	1939	14464	18184
Ignyta Inc	03/13/14	2011	14552	19116
Sysorex Global Holdings Corp	04/10/14	1984	14610	148396
Viggle Inc	04/24/14	2010	88285	11708
Franklin Financial Network Inc	03/26/15	2007	15242	17586
Unique Fabricating Inc	06/30/15	1975	15590	22180
Rapid7 Inc	07/16/15	2000	15541	24501
Eyegate Pharmaceuticals Inc	07/30/15	1998	15510	21282
Xcel Brands Inc	07/30/15	1989	15543	189757
CPI Card Group Inc	10/08/15	2007	15793	25539
Kura Oncology Inc	11/04/15	2007	15847	26081
First Guaranty Bancshares Inc	11/05/15	1934	15840	108979
AveXis Inc	02/10/16	2010	15934	26818

<b>Amer Renal Assoc Hldg Inc</b>	04/20/16	1999	16024	26126
<b>Red Rock Resorts Inc</b>	04/26/16	2015	16019	26361
<b>Global Water Resources Inc</b>	04/28/16	2003	16008	186169
<b>Spring Bk Pharms Inc</b>	05/05/16	2002	16069	26790
<b>SiteOne Landscape Supply Inc</b>	05/11/16	2001	16082	25893
<b>Acacia Communications Inc</b>	05/12/16	2009	16051	26722
<b>Midland States Bancorp Inc</b>	05/23/16	1988	16063	187236
<b>Cotiviti Holdings Inc</b>	05/25/16	2001	16073	27245
<b>Reata Pharmaceuticals Inc</b>	05/25/16	2002	16068	26892
<b>US Foods Holding Corp</b>	05/25/16	2007	16084	18312
<b>Atkore International Group Inc</b>	06/09/16	2010	16119	27014
<b>Paragon Commercial Corp</b>	06/15/16	1999	16106	156421
<b>Twilio Inc</b>	06/22/16	2008	16140	27364
<b>AdvancePierre Foods Hldg Inc</b>	07/14/16	2010	16149	27148
<b>Impinj Inc</b>	07/20/16	2000	16182	27387
<b>TACTILE SYSTEMS TECHNOLOGY INC</b>	07/27/16	1995	16186	26847
<b>Atomera Inc</b>	08/05/16	2001	16250	27737
<b>Medpace Inc</b>	08/10/16	1992	16260	19998
<b>Airgain Inc</b>	08/11/16	1995	16247	27703
<b>FB Financial Corp</b>	09/15/16	1984	16319	27871
<b>The Trade Desk Inc</b>	09/20/16	2009	16309	27885
<b>Apptio Inc</b>	09/22/16	2007	16282	27909
<b>elf Beauty Inc</b>	09/22/16	2004	16318	27907
<b>Valvoline Inc</b>	09/22/16	1866	16338	27373
<b>Camping World Holdings Inc</b>	10/06/16	2016	16437	19071
<b>Extraction Oil &amp; Gas Inc</b>	10/11/16	2012	16402	27677
<b>Acushnet Holdings Corp</b>	10/27/16	1910	16434	27575
<b>Polar Power Inc</b>	12/06/16	1979	16528	28091
<b>SenesTech Inc</b>	12/08/16	2004	16532	28365

## Internet Appendix II. Letter Example

This is the first letter that the SEC wrote to Affymax company, which went public in 2006. We denote the main parts of a typical letter (header, title, introduction, itemized part, ending and signature), and we highlight the SEC film number, item header and letter writer signatures. The full letter is available at this link:

<https://www.sec.gov/Archives/edgar/data/1158223/000000000006049985/filename1.pdf>

Mail Stop 6010	October 16, 2006	<b>1. Header</b>
Arlene Morris President and Chief Executive Officer Affymax, Inc. 4001 Miranda Avenue Palo Alto, CA 94304		
<b>Re: Affymax, Inc.</b> <b>File 333-136125</b> <i>SEC Film Number</i> <b>Form S-1 filed July 28, 2006</b>		<b>2. Title</b>
Dear Ms. Morris:		<b>3. Introduction</b>
<p>We have reviewed your filing and have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.</p> <p>Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.</p>		
<b>General</b> <i>Item header #1</i>		<b>4. Itemized Part</b>
<ol style="list-style-type: none"><li>1. We note that in your risk factor titled “We have initiated binding arbitration...,” you have added disclosure relating to J&amp;J’s patent application and state that a patent could be issued this year. Does this revised disclosure reflect new facts which suggest that the patent might be issued? If so, please describe any such facts in the risk factor.</li></ol>		

Management's Discussion and Analysis of Financial Condition and Results of Operations *Item header #2*

Critical Accounting Policies and Significant Judgments and Estimates

Revenue Recognition, page 36

2. We acknowledge your response to comment 2. We note that you recognize revenue related to third-party development expense reimbursement pursuant to your arrangement with Takeda as you incur the related expenses. We also note that you recognize revenue related to the manufacture and supply arrangement for Hematide API on a cost basis upon delivery and defer the profit margin indefinitely. Tell us how your accounting treatment for both of these transactions correlates to EITF No. 00-21 and your conclusion that all of the elements involved in the Takeda arrangement represent a single unit of accounting.

Stock-Based Compensation, page 38 *Item header #3*

3. We acknowledge your response to comment 9 of our letter dated August 31, 2006. Please furnish your letter dated September 15, 2006 regarding stock compensation via EDGAR. Please also revise your filing to disclose and/or provide us with the information that follows.
  - Please tell us and disclose which methodology (i.e. income, market, etc.) management used to retrospectively value the equity instruments issued during the 12 months prior to the most recent balance sheet date, June 30, 2006. Please also disclose the assumptions used in conjunction with that methodology.
  - Please disclose the significant factors underlying the difference between the fair value of your employee share options as of each grant date and your estimated IPO price. That is, disclose how the achievement of each internal milestone discussed on page 5 of the October 2, 2006 letter impacted your fair value assessment at each different point in time. Tell us why you believe that the milestone achievements outlined on page 5 of the October 2, 2006 letter were not considered "true measures" of the company's fair value, given that you disclose on page 38 that management relied on those milestones in determining the fair value of all compensatory equity instruments leading up to the third-party valuation date of February 10, 2006.
  - It appears you have simply relied on the initial underwriter estimate of fair value for all periods subsequent to February 10, 2006. The underwriter's preliminary estimate of the ultimate IPO price does not appear to be an appropriate valuation methodology for your pre-IPO equity transactions. In addition, it is not appropriate to revise your valuations based on a change in the IPO price since the fair value on a given date should not change based on subsequent events.
  - Please tell us why a linear, look-back approach, as discussed in your letter dated October 2, 2006, is appropriate given that you achieved significant internally specified milestones during the period, such as your entry into the agreements with Takeda. The linear approach does not appear to be an appropriate valuation methodology.

**Notes to Consolidated Financial Statements** *Item header #4*

**Note 8. Stock-Based Compensation, page F-33**

4. We acknowledge your response to comment 11 and reissue our comment, as you have not yet disclosed your estimated IPO price. Please revise/update the vested/unvested intrinsic value option information included on page 39 of your MD&A based on your estimated IPO price through the date of the most recent balance sheet presented.
5. We acknowledge your response to comment 12 and will continue to reissue our comment until you have disclosed an estimated offering price. Therefore, please disclose in your financial statements, at a minimum, the following information for equity instruments granted during the 12 months prior to the date of the most recent balance sheet included in the filing: the number of options or shares granted at each applicable date; the related exercise price; the underlying fair value of the common stock; and the intrinsic value, if any. Additionally, please provide all of the above information to us, supplementally, for equity instruments that you issue subsequent to the date of the latest balance sheet that you include in your filing through the date of your latest response.

**5. Ending**

As appropriate, please amend your filing in response to these comments. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR under the form type label CORRESP. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings reviewed by the staff to be certain that they have provided all information investors require for an informed decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

We will consider a written request for acceleration of the effective date of the registration statement as a confirmation of the fact that those requesting acceleration are aware of their respective responsibilities under the Securities Act of 1933 and the Securities Exchange Act of 1934 as they relate to the proposed public offering of the securities specified in the above registration statement. We will act on the request and, pursuant to delegated authority, grant acceleration of the effective date.

We direct your attention to Rules 460 and 461 regarding requesting acceleration of a registration statement. Please allow adequate time after the filing of any amendment for further review before submitting a request for acceleration. Please provide this request at least two business days in advance of the requested effective date.

You may contact Amy Bruckner (202) 551-3657 if you have questions regarding comments on the financial statements and related matters. Please contact Zafar Hasan at (202) 551-3653 or me

at (202) 551-3715 with any other questions.

Sincerely,

**6. Signature**

Jeffrey Riedler *Letter writer*  
Assistant Director

cc: Laura Berezin, Esq.  
Cooley Godward, LLP  
Five Palo Alto Square  
3000 El Camino Real  
Palo Alto, CA 94306-2155  
F: 650/849-7400

### Internet Appendix III: Verification of Match between the LDA Topics in the SEC Letters and the Title of the SEC Paragraphs

These figures aim to verify the labelling of the SEC Letters' LDA topics, where each topic is labelled with the SEC letter item heading that provides the closest match (as described in more detail in the text). First, these figures illustrate the percentage of the most frequent words (in the LDA topic) that are also the most frequent within the paragraphs belonging to the matched item heading. Second, the figures illustrate the words that are common in the LDA topic but are not common in the matched paragraphs, and they denote the item heading in which they are the most common.

Panel 0 of this figure provides a color-coding of all paragraphs. This color coding is consistent throughout all panels of the figure. For instance, the bright red color represents "Business" paragraphs, and the grey color corresponds to "Revenue Recognition" paragraphs.

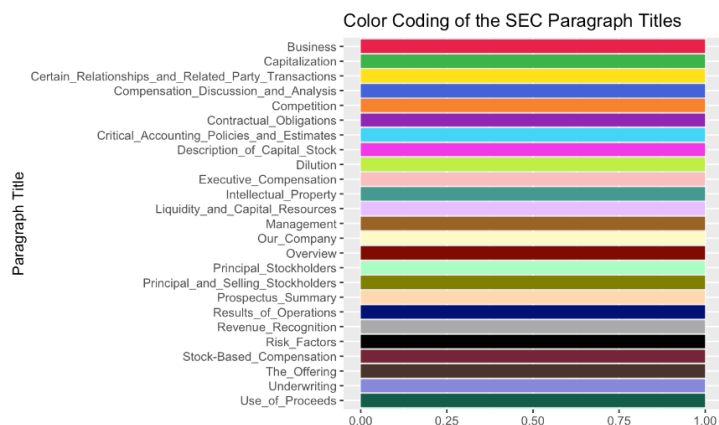
Panels 1-8 show the 100 most frequent words in the topic. The length of the bar represents the frequency of each word in each topic. In the Panel 1 the word 'revenu' is first and has the longest bar, denoting that it is the most common word in Topic 1 and its frequency is 3.27%. The words 'provid' and 'disclosur' are the next in frequency, representing 1.75% and 1.73% of the topic, respectively.

The coloring of the bars within Panels 1-8 is based on the following procedure. First, for the given LDA topic we look at the paragraphs that fall under the best matched item heading (i.e., for Topic 1, we look at the paragraphs that fall under the Revenue Recognition item heading), and we extract the 200 most frequently used words from these paragraphs. If a given word in the figure falls within these top 200 words, then we color this word the corresponding paragraph color. For instance, words 'revenu', 'provid', 'disclosur' are among top-200 most common words in the Revenue Recognition paragraphs and thus they are colored in grey (the color corresponding to revenue recognition, as shown in Panel 0).

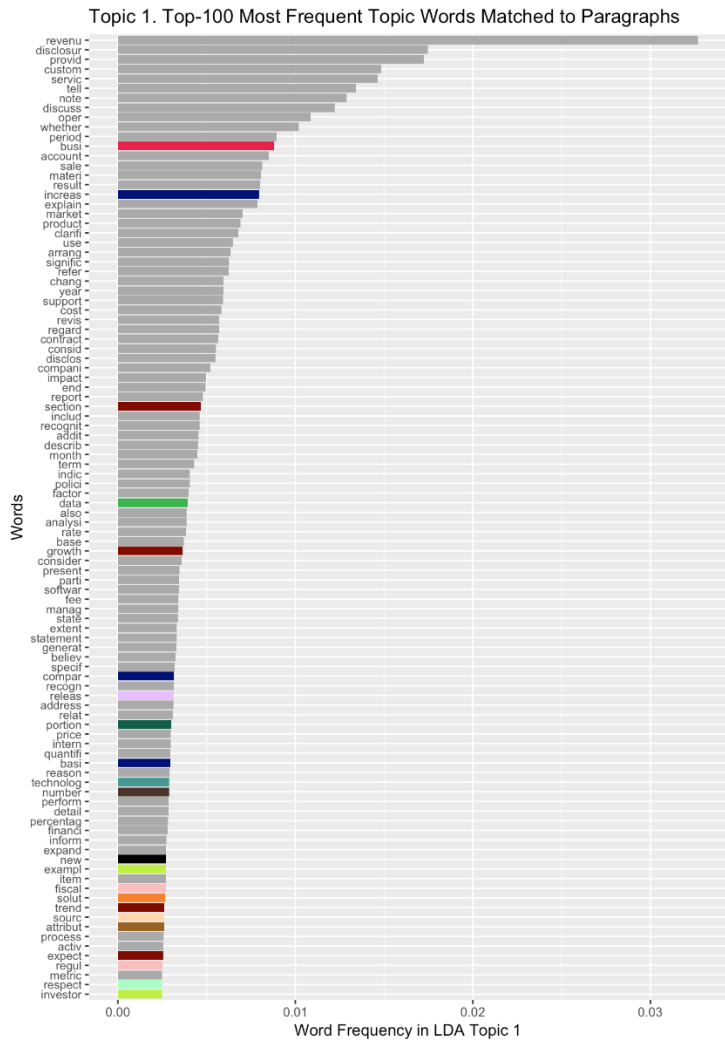
If a word is not among the 200 most common words in the matched paragraph, then its color reflects the paragraphs where its frequency is the highest. For instance, the word 'busi' is not among top 200 words in the Revenue Recognition paragraphs, and it has the highest weight in the paragraphs under the "Business" title; thus it is colored in red.

We repeat the same analysis for all eight topics. We apply a consistent approach across all 8 topics (including Topic 8, which we ultimately label as the Boilerplate topic). For Topic 8, the most closely matched paragraphs are those under the section heading "Our Company", though as illustrated in the last panel, the match is not close.

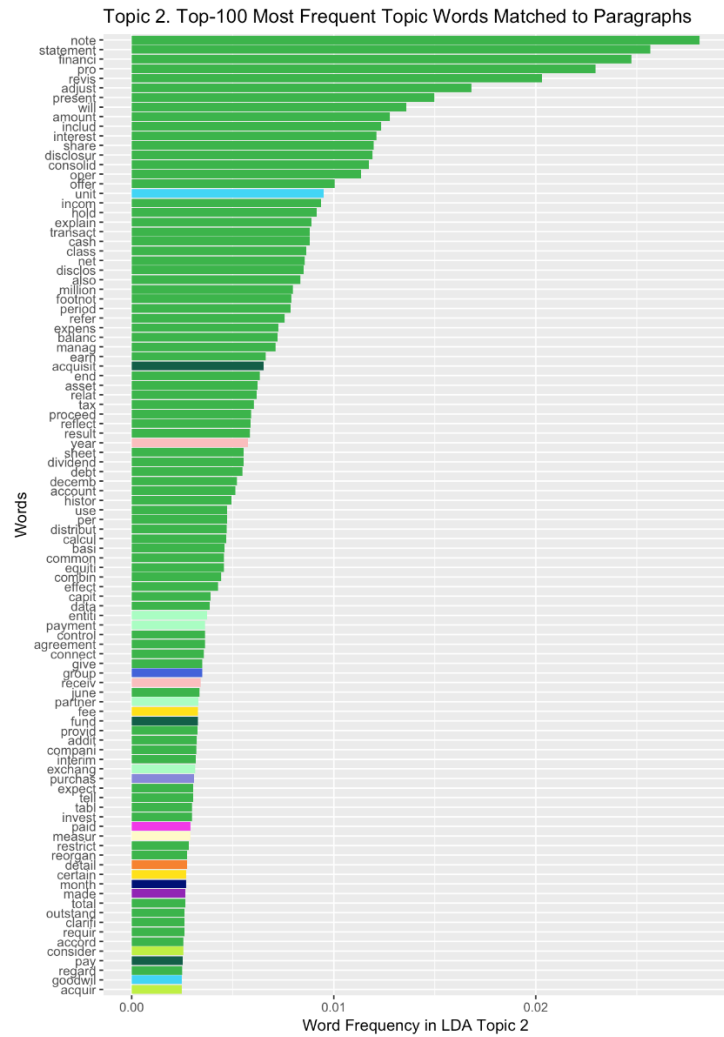
Results highlight that the first seven topics are closely matched to the paragraphs, with one single color that is prominent throughout each panel. Moreover, the residual words are not focused within any one item heading, as reflected by the fact that they have many different colors. In sum, these figures provide added confidence in the labelling of the seven topics of interest, indicating that each topic is concentrated within the paragraphs falling under the matched item heading. In contrast, the last topic (Topic 8, which we ultimately label as boilerplate) provides an example of a topic that does not have a concentrated content and just represents a mixture of different factors.



**Topic 1. labelled as 'Revenue Recognition' in the paper**

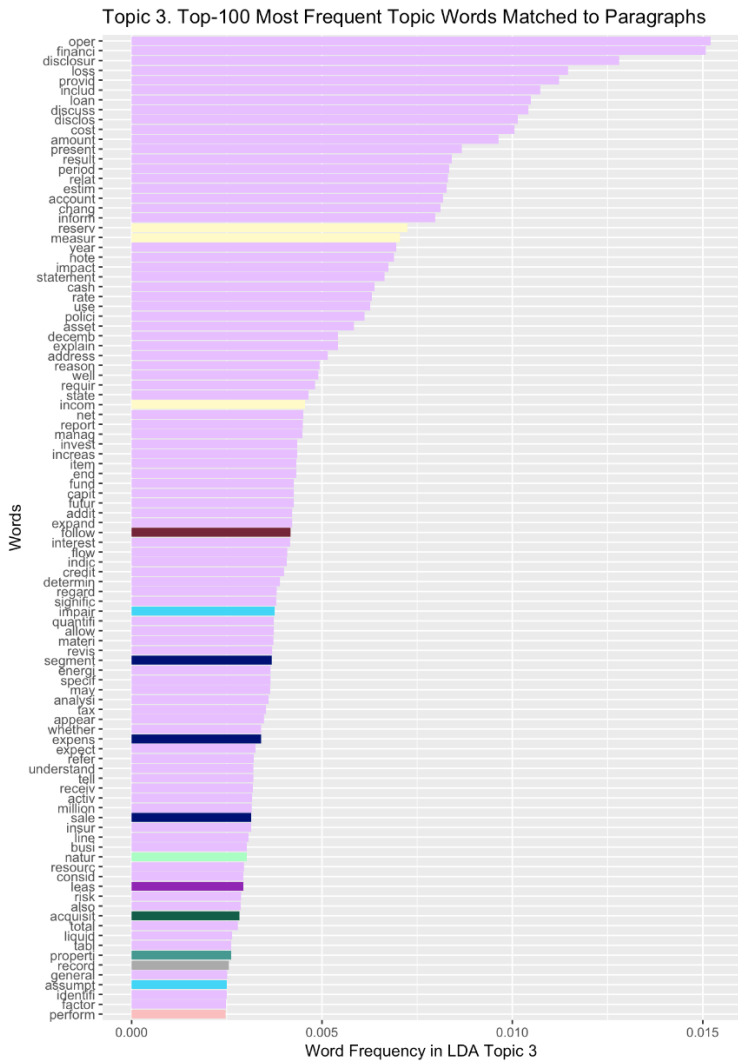


**Topic 2. labelled as 'Capitalization' in the paper**

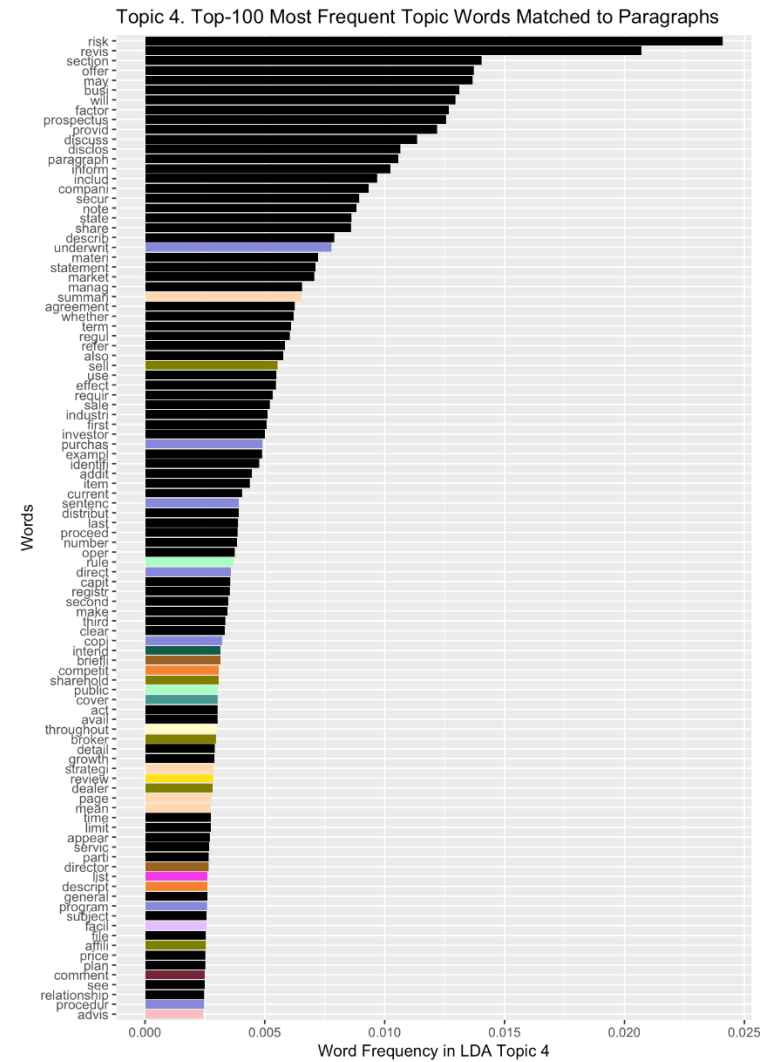




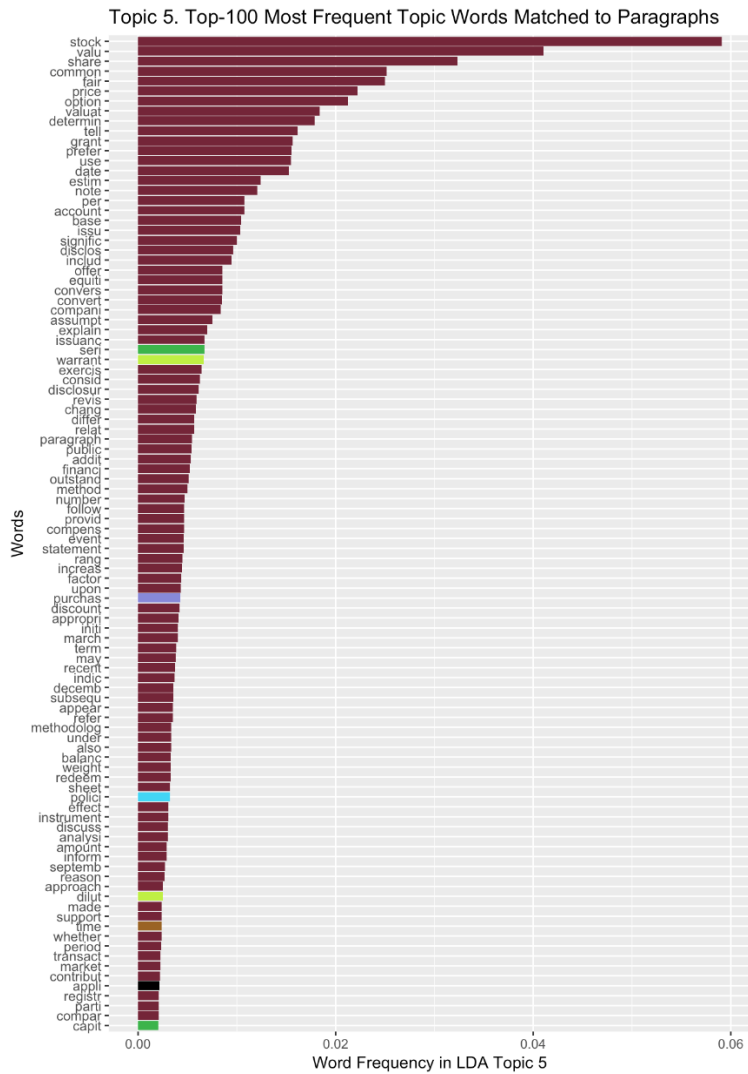
**Topic 3. labelled as 'Liquidity and Capital Resources' in the paper**



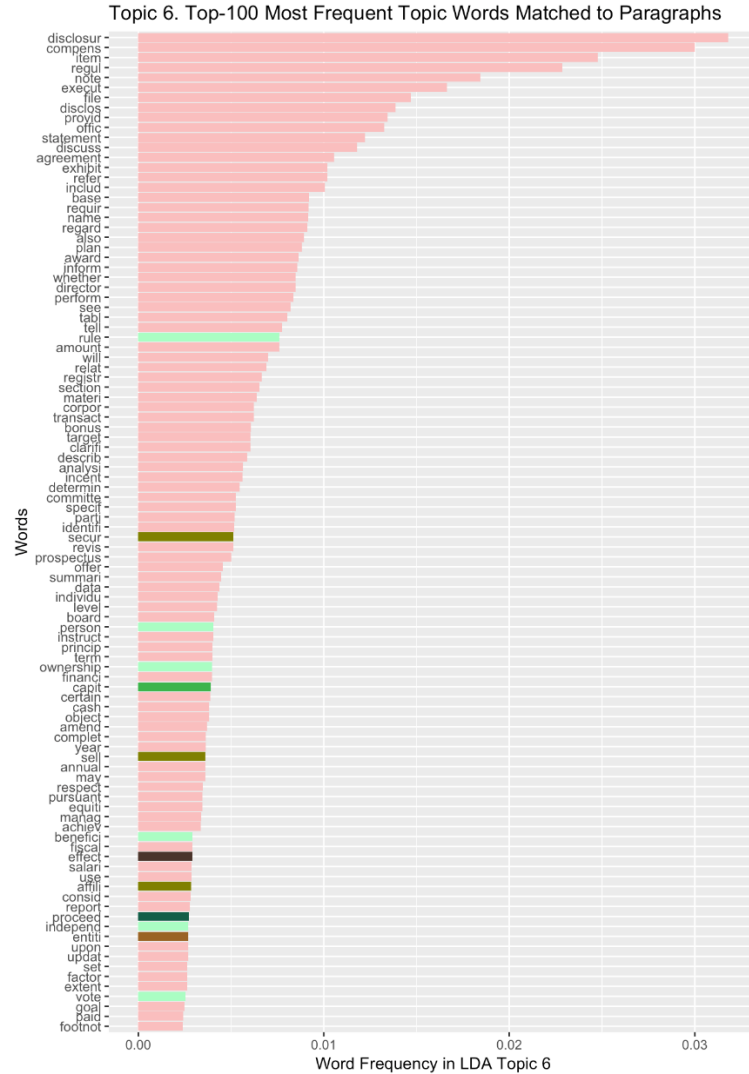
**Topic 4. labelled as 'Risk Factors' in the paper**



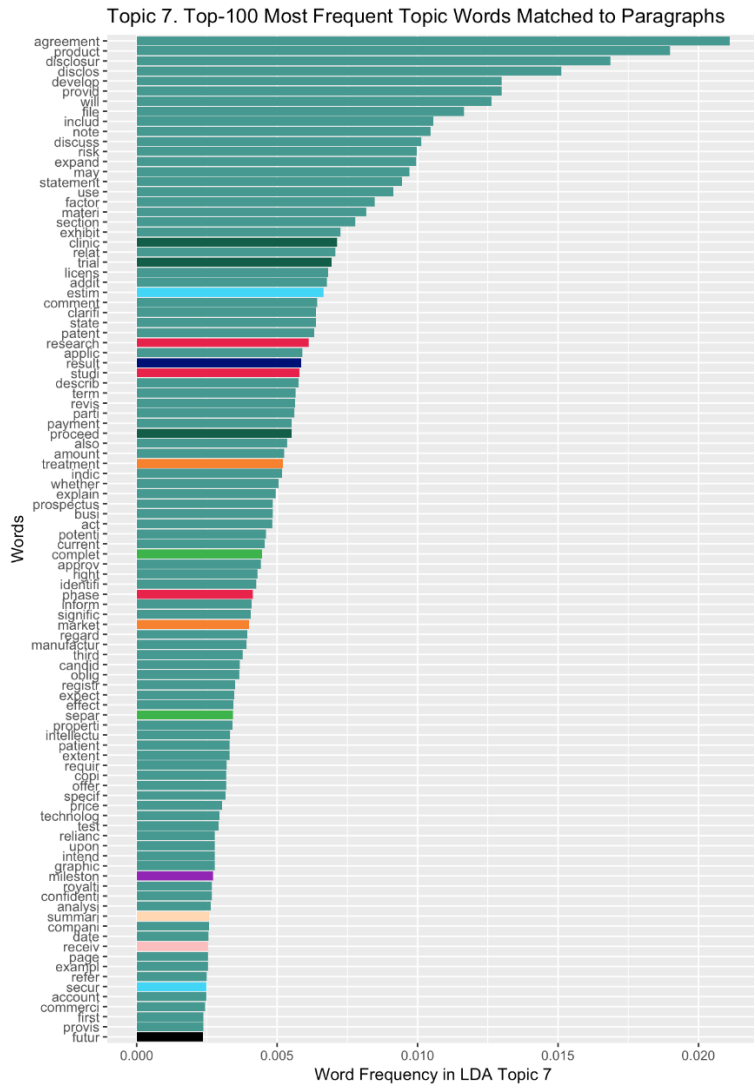
**Topic 5. labelled as 'Stock Valuation' in the paper**



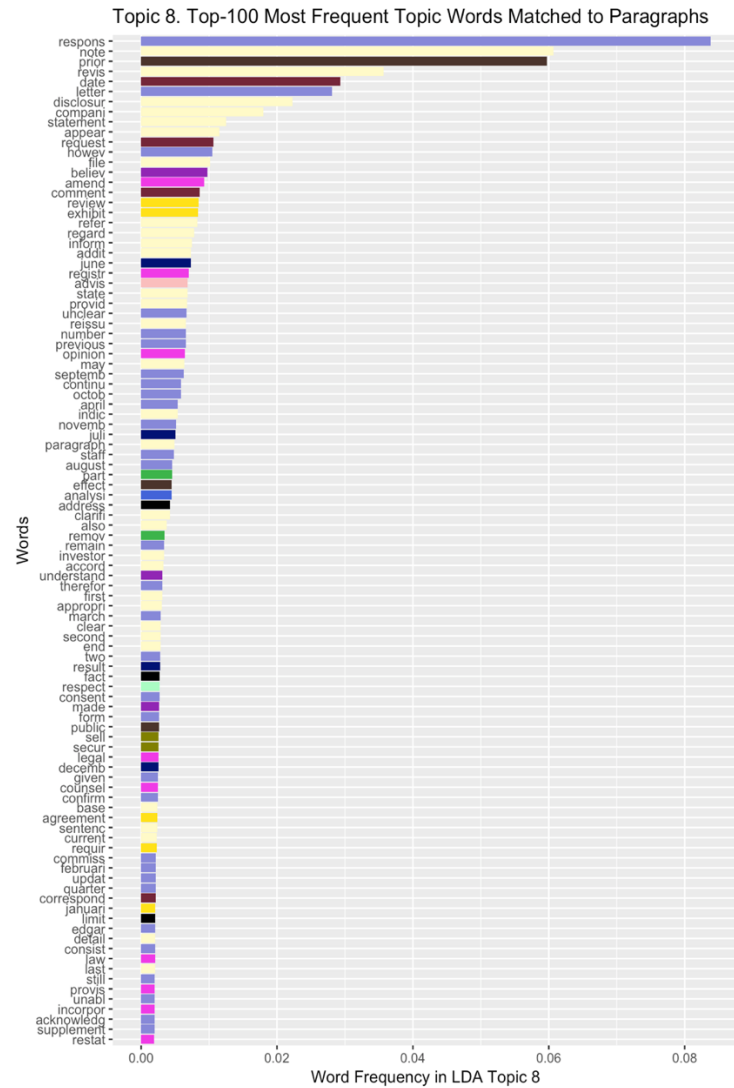
**Topic 6. labelled as 'Executive Compensation' in the paper**



**Topic 7. labelled as 'Intellectual Property' in the paper**



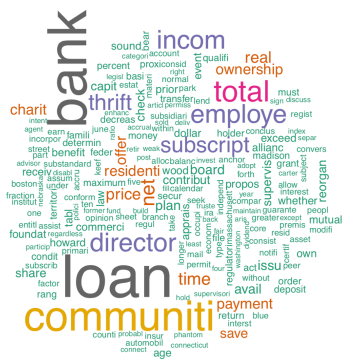
**Topic 8. labelled as 'Boilerplate' in the paper**



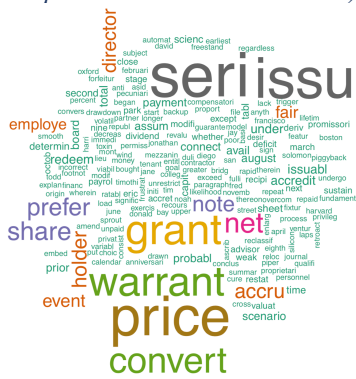
### Internet Appendix IV: Topics Extracted from S-1 Prospectuses

The sample consists of 952 IPOs between 2005 and 2016, for which first versions of prospectuses were downloaded from SEC EDGAR website. We employ a 28-topic LDA analysis across this set of the first prospectuses. This figure illustrates the most salient word-roots in each topic. The size of the word corresponds to its saliency within the topic.

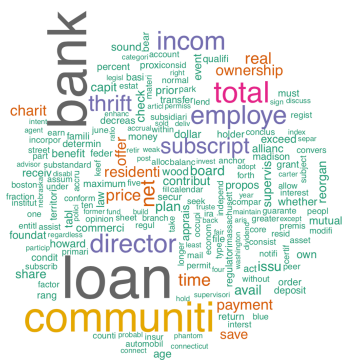
*Topic 1 (KL-matched to Revenue Recognition and Capitalization Topics in the SEC Letters)*



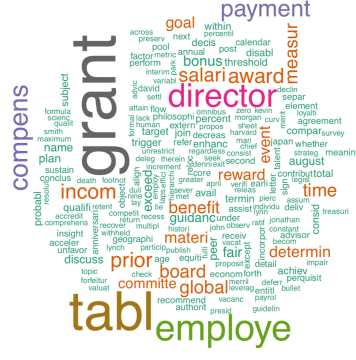
*Topic 4 (KL-matched to Stock-Based Compensation in the SEC Letters)*



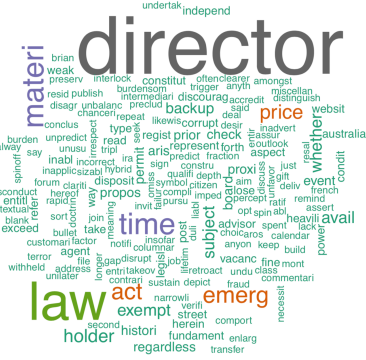
*Topic 2 (KL-matched to Liquidity Topic in the SEC Letters)*



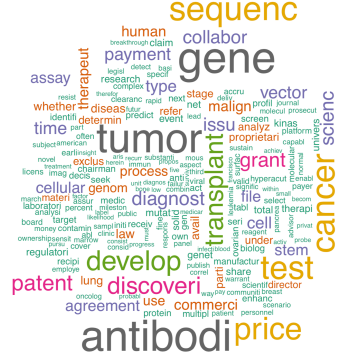
*Topic 5 (KL-matched to Executive Compensation Topic in the SEC Letters)*



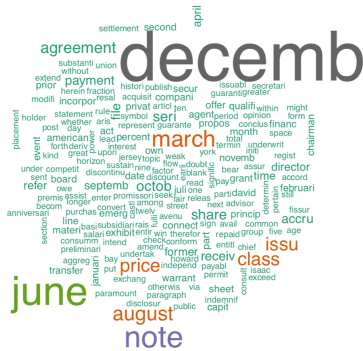
*Topic 3 (KL-matched to Risk-Factor Topic in the SEC Letters)*



*Topic 6 (KL-matched to Intellectual Property Topic in the SEC Letters)*



Topic 7 (KL-matched to Boilerplate Topic in the SEC Letters)



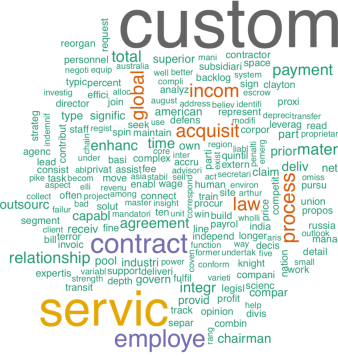
Topic 11



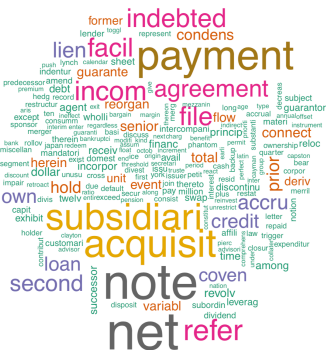
Topic 8



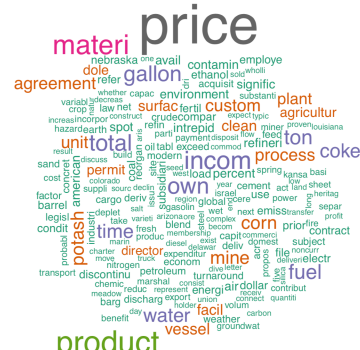
Topic 12



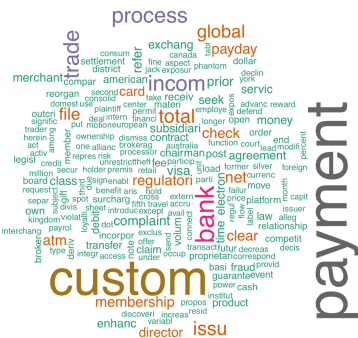
Topic 9



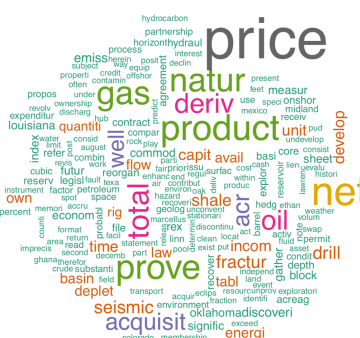
Topic 13



Topic 10



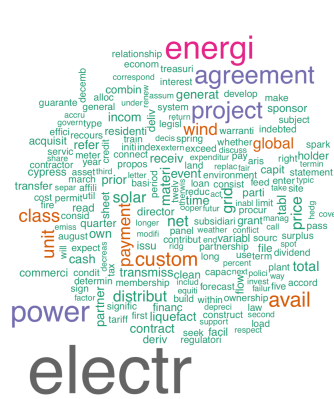
Topic 14



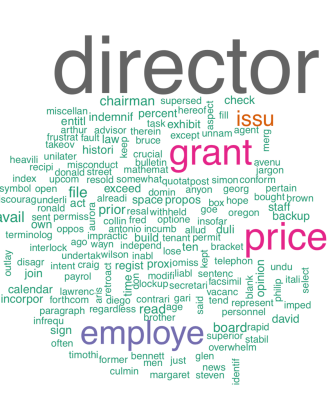
Topic 15



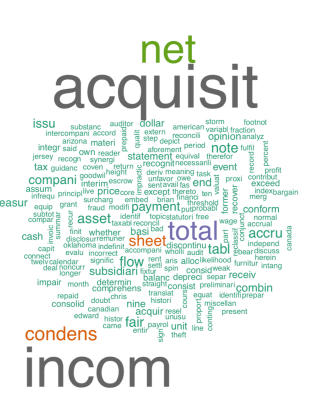
Topic 16



Topic 17



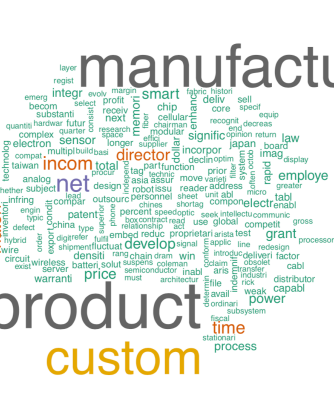
Topic 18



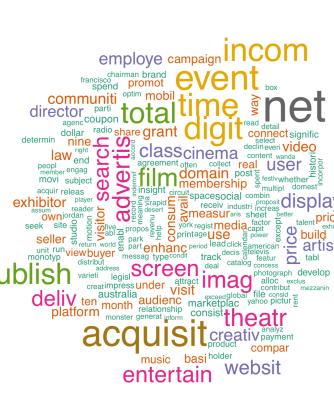
Topic 19



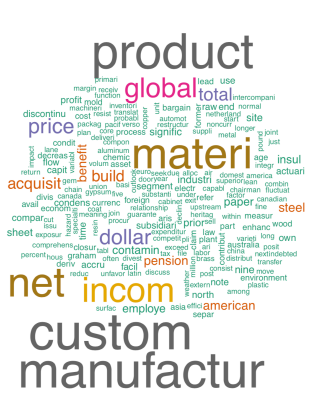
Topic 20



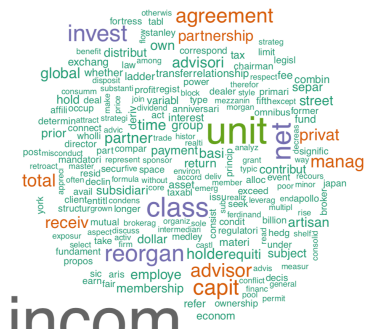
Topic 21



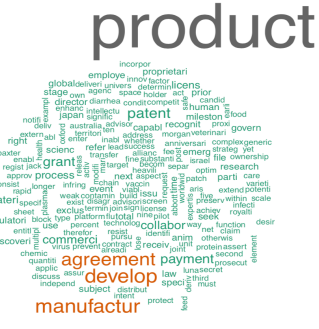
Topic 22



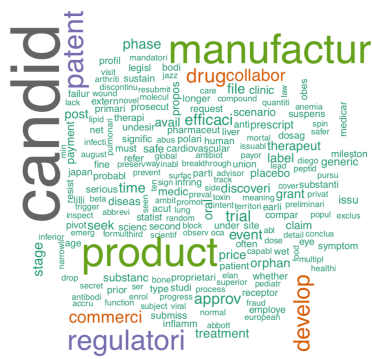
Topic 23



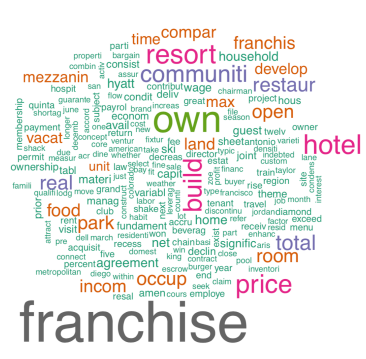
Topic 26



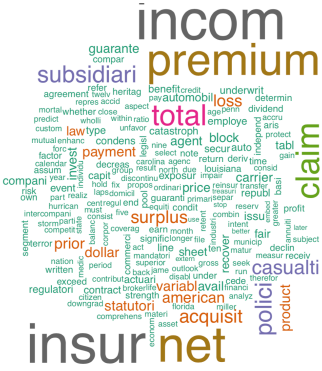
Topic 24



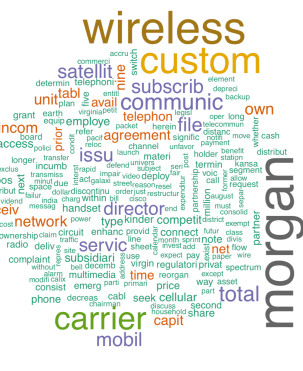
Topic 27



Topic 25



Topic 28



## Internet Appendix V: Total Offer Size Updates and the Content of the First SEC Comment Letter.

This table is similar to that shown in Table 7. The sample consists of 952 IPOs between 2005 and 2016, for which we download SEC comment letters from EDGAR. The dependent variable equals the total offer size update, equal to the percentage change from the initial filing size (defined as the midpoint of the initial price range times shares filed) to the final offer size (defined as the IPO offer price times shares offered). Independent variables include the natural log of the number of words in the topic in the first SEC letter, the natural log of the number of words in the topic in the S-1, the number of SEC letters before the price range is set, and company and offer controls (company size, number of segments, age, underwriter rank, law firm rank, S-1 length and S-1 uncertainty), where coefficients on these controls are suppressed. All regressions include Fama-French 48 industry and year fixed effects, and errors are robust and clustered at the Fama-French 48 industry level.

<i>Dependent Variable:</i>					
<b><i>Total Offer Size Update</i></b>					
	Topic in the SEC Letters	Corresponding Topic in S-1	#SEC Letters Before Price Range	R2	Obs
Revenue	-2.936**	1.425***	-6.166***	0.196	952
Recognition	(1.410)	(0.473)	(2.169)		
Capitalization	-1.591	1.455***	-6.719***	0.191	952
	(1.147)	(0.468)	(2.201)		
Liquidity	-4.221***	1.548***	-5.312***	0.202	952
	(1.291)	(0.485)	(2.049)		
Risk Factors	-1.807**	0.271	-7.144***	0.184	952
	(0.862)	(0.412)	(1.974)		
Stock	-0.802	1.463***	-7.289***	0.190	952
Compensation	(1.085)	(0.478)	(2.138)		
Executive	-0.844	-0.074	-7.714***	0.183	952
Compensation	(0.670)	(0.197)	(1.976)		
Intellectual	-1.885**	0.265	-7.352***	0.203	952
Property	(0.952)	(0.433)	(1.966)		
Boiler	-0.175	-0.084	-8.028***	0.202	952
	(1.327)	(0.194)	(2.043)		



**Internet Appendix VI: Long-run CARs around letter releases, by topic of SEC letter**

This table is similar to that shown in Panel B of Table 8 for the revenue recognition topic. Here, we show analogous regressions for each of the 8 topics.

	Dep't Variable = CAR (+3, +90) around SEC Letter Publication							
	Revenue Recognition	Capitalization	Liquidity	Risk Factors	Stock Compensation	Executive Compensation	Intellectual Property	Boilerplate
Topic (in SEC Letters)	-2.203** (0.916)	-1.005 (1.917)	1.120 (1.745)	-0.393 (1.232)	-0.067 (1.688)	-1.497 (1.456)	-1.165 (0.989)	-0.116 (1.538)
Topic (in SEC Letters) * High_downloads	2.494 (1.915)	0.681 (1.462)	-2.516 (2.284)	-0.643 (1.175)	1.684 (1.509)	1.467 (1.656)	-0.074 (1.406)	-1.393 (2.408)
KL-matched topic (in S-1)	0.003 (0.756)	0.002 (0.741)	-0.030 (0.765)	0.109 (0.831)	0.030 (0.756)	0.530 (0.329)	0.128 (0.818)	0.539 (0.347)
# SEC Letters	-4.039 (4.401)	-4.324 (4.805)	-4.711 (4.271)	-4.354 (4.127)	-4.913 (4.679)	-4.547 (3.735)	-4.403 (4.343)	-4.854 (4.153)
High_downloads	-11.787 (11.674)	-1.767 (8.536)	14.901 (12.332)	5.357 (6.498)	-7.131 (9.630)	-6.377 (9.864)	2.262 (7.365)	8.049 (10.841)
Industry, Year Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	952	952	952	952	952	952	952	952
R <sup>2</sup>	0.102	0.100	0.101	0.100	0.101	0.102	0.100	0.102







### Internet Appendix VIII: Lawsuits and Content of SEC Letters

This table explores the relationship between the content of the SEC Letters and future lawsuits of a firm. We obtain information about IPO class actions from Stanford Securities Class Action Clearinghouse. We indicate that an IPO is followed by a lawsuit if: (i) there is a class action lawsuit against the company within a year of the offer date, and (ii) this class action is filed under Chapter 11. In total 51 out of 952 IPOs in our sample were followed by a lawsuit. Panel A shows the results of a univariate test, which compares whether the average number of words on a given topic in the first SEC letter is the same across companies with versus without a post-IPO lawsuit. Panel B aims to determine which factor is the most significant predictor of a lawsuit. It reports the  $R^2$  from the series of following regressions:  $Lawsuit = \beta_0 + \beta_1 \cdot X_i$ , where  $X_i$  is one of the 25 variables listed in the table. Variables in the table are organized in descending order of  $R^2$ . Panel C extends the approach in Panel B with the use of the LASSO regression technique. The bottom x-axis shows the maximum % of lawsuit variance we can explain if we use only the number of variables from the top x-axis. The legend of lines on the graph shows which variables we should use, and the y-axis gives the coefficients on these variables. The red line indicates the path for the Revenue Recognition in the SEC letters. According to the plot: (i) revenue recognition should be used in any model which explains lawsuit variables (as the red line never equals 0), and (ii) the coefficient on this variable should always be positive.

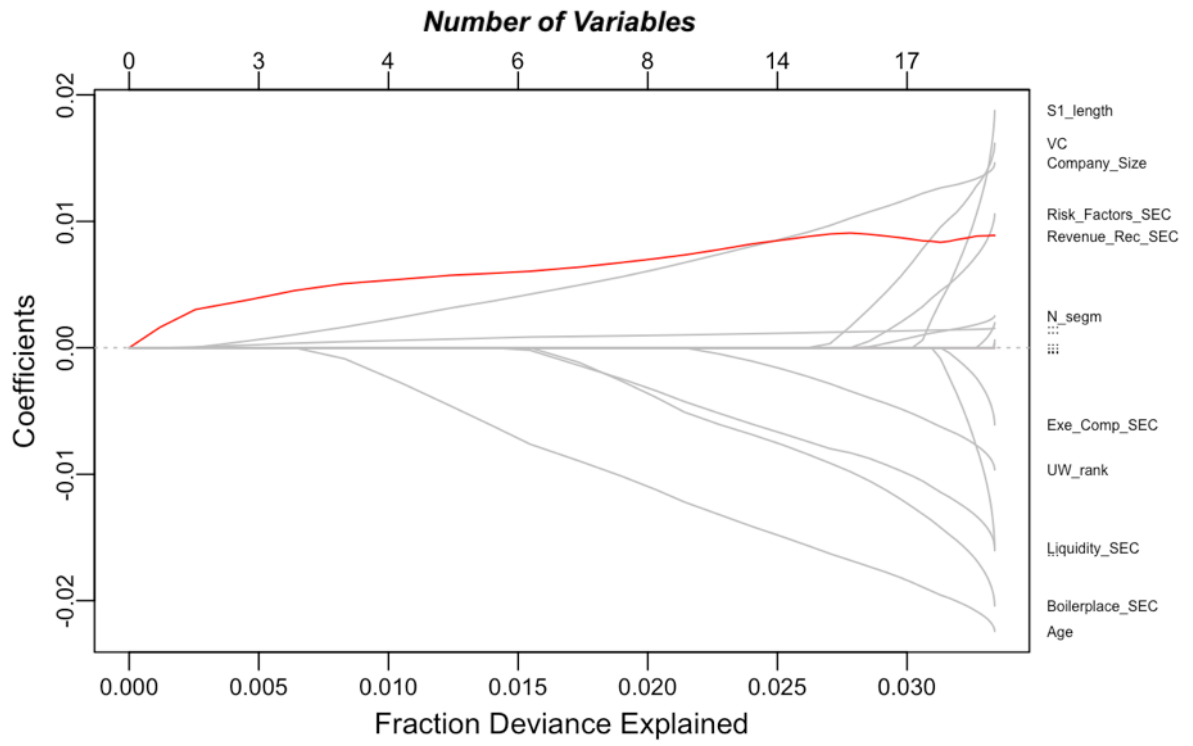
Panel A. Univariate comparison

Topic in SEC Letter	Avg # Words in a Topic in First SEC Letter for IPOs with a Lawsuit After [N = 51]	Avg # Words in a Topic in First SEC Letter for IPOs without a Lawsuit After [N = 901]	T-statistics for the Difference
Revenue Recognition	663.02	441.26	2.43**
Capitalization	361.22	364.80	-0.08
Liquidity	365.34	372.03	-0.10
Risk Factors	529.68	510.40	0.39
Stock Compensation	333.43	329.16	0.10
Executive Compensation	413.06	387.37	0.59
Intellectual Property	307.44	407.36	-1.98*
Boilerplate	112.96	120.62	-0.95

Panel B.  $R^2$  in Univariate Regression

N	Variable	$R^2$
1	Revenue Recognition (in SEC Letters)	0.70%
2	Company Size	0.56%
3	Law Firm Rank	0.53%
4	Executive Compensation (in S-1)	0.36%
5	Boilerplate (in S-1)	0.36%
6	Company Age	0.25%
7	Revenue Recognition (in S-1)	0.15%
8	Capitalization (in S-1)	0.15%
9	Liquidity (in S-1)	0.15%
10	Stock Compensation (in S-1)	0.15%
11	Intellectual Property (in SEC Letters)	0.13%
12	S1 Uncertainty	0.13%
13	Risk Factors (in SEC Letters)	0.12%
14	Capitalization (in SE Letters)	0.10%
15	Risk Factors (in S-1)	0.08%
16	Intellectual Property (in S-1)	0.08%
17	Liquidity (in SEC Letters)	0.06%
18	VC Dummy	0.05%
19	Boilerplate (in SEC Letters)	0.05%
20	Executive Compensation (in SEC Letters)	0.04%
21	# of Segments	0.03%
22	Stock Compensation (in SEC Letters)	0.03%
23	S-1 Length	0.03%
24	UW Rank	0.02%
25	JOBS Act Dummy	0.00%

Panel C. LASSO Regression Results



**Internet Appendix IX: Comparison of withdrawn IPOs and matched sample, variables in propensity score model (as used in Column 3 of Table 10)**

The regression in column 3 of Table 10 is based on a matched sample, which is formed from a propensity score model. For each withdrawn IPO we select up to three completed IPOs in the same year and Fama-French 48 industry with the closest propensity score. The propensity score is based on offer size, number of segments, length of S-1, and Nasdaq returns. This table reports the mean value of each of these variables, for the withdrawn IPOs and for the matched sample of completed IPOs. The T-statistic and associated p-value tests for the significance of the difference in means.

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Variable	Withdrawn IPO Sample	Matched sample of completed IPOs	T-statistic of difference in means	P-Value
Company Size	2.92	3.30	-1.11	0.27
# of Segments	1.00	1.10	-2.17	0.03
S1 Length	11.25	11.29	-1.11	0.27
Nasdaq Returns	-0.11%	0.90%	-1.46	0.15

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