

INITIAL PUBLIC OFFERINGS

Fall 2026

Section #25161

Course #5297

David P. Oelman, Adjunct Professor

Thursdays, 4:00 pm - 6:00 pm

Business and Commercial Law

I appreciate you registering for this class and look forward to sharing some of what I've learned in over 30 years of practice, much of which has focused on taking companies public. This course is not about memorizing securities laws and regulations but understanding how those things provide the blueprint for a much larger initial public offering or "IPO" process, one of the bedrocks of the American economy. The goal of this course is to give you a working knowledge of the primary components and vocabulary for an IPO as well as a significant head start in any practice involving publicly traded companies.

I am a partner in the Corporate Group at Vinson & Elkins LLP. I graduated from Princeton University in 1987 and UT Law in 1990. For over a decade I served as head of our Capital Markets practice and co-head of our M&A and Capital Markets group. I recently completed three consecutive elected terms on the firm's Management Committee and previously served as Hiring Partner and as a member of the Partnership Admissions Committee. The link to my firm bio can be found here: [David Palmer Oelman | People | Vinson & Elkins LLP](#)

CONTACT INFO

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Mode of Instruction: Face to Face

CLASS MEETINGS

Meets:

Thursdays, 4:00 - 6:00 pm, Room 221

CLASS OVERVIEW

In this course you will learn, from organizational meeting through opening trades on the stock exchange, the roles of each of the company, investment banks and law firms involved in an initial public offering (“IPO”). In addition you will learn about the Securities Exchange Commission (“SEC”) review process, registration statements, prospectuses and federal securities laws (1933 and 1934 Acts) integral to IPO execution.

The class will follow the actual SEC filings and IPO documents for Fermi Inc. (NASDAQ: FRMI), a data center developer which completed a high-profile IPO on October 2, 2025. Fermi is developing an 11GW data center complex in Amarillo, Texas and is often in the news, reflecting investor interest in AI and the power needed to fuel it. I worked on the IPO for the underwriters and the firm is currently handling multiple assignments for Fermi itself.

For new attorneys concentrating on transactional work, IPO assignments are one of the best sources of training for capital markets, private equity and M&A practices – IPOs serve as a “Rosetta Stone” for the practical application of federal securities laws, providing a crash course into a broad range of disclosure requirements applicable to all publicly traded companies.

Private equity firms see IPOs as one of two basic paths for realizing returns for their investors. Disclosure in proxies for public M&A filings are driven by the same set of disclosure rules as IPOs. Finally, you will also gain insight to the financial importance of IPOs and public company practice to law firm economics.

LEARNING OUTCOMES

By the end of the semester, my hope is that you will have acquired an understanding of:

- The primary federal securities laws and SEC regulations underpinning the disclosure requirements for publicly traded companies.
- The role of each of the participants in the IPO process: issuer, underwriter, issuer counsel and underwriter counsel.
- The specific, concurrent SEC, regulatory and contractual and stock exchange processes which are necessary to complete an IPO, including structuring, drafting, due diligence, marketing, underwriting, exchange listing, and closing.

- The ability to draft disclosure to be included in IPO offering documents by reviewing applicable precedent and drafting new disclosure for a hypothetical IPO company, described in more detail below.

ASSIGNED MATERIALS

Primary Case Study - Fermi

This course will focus on the IPO of Fermi Inc., a company which completed a heavily publicized IPO in October 2025. We will also refer, from time to time, to Sunnova Energy International (NASDAQ: NOVA) – formerly one of the two largest residential solar companies in the U.S., which filed for bankruptcy in early 2025, as well as New Fortress Energy (NASDAQ: NFE). Both Sunnova and Fermi serve as good sources of precedent for your drafting assignments for this class.

The course will include drafting assignments for the hypothetical initial public offering of “LUMI” a transition energy IPO featured in Season 3 of the Max series *Industry* with Kit Harrington in the role of LUMI’s Chief Executive Officer, Sir Henry Muck.

Other Course Materials

Each of our class sessions outlined below includes applicable materials. Please note that where lengthy statutes or issuer disclosures are referenced (Form S-1, Regulation S-K, Regulation S-X, prospectus, for example) my goal is not that you read each in detail in order to commit them to memory as you would for an exam. Rather, I want you to become familiar with the topics covered by the statute or regulation so you know how to find answers to specific disclosure questions as they arise in your practice.

In certain instances, articles from the financial press or law firms are included with hyperlinks. These are generally short articles and are intended to give you a high level feel for the applicable topic. Often, it’s easier to understand how technical rules work by reading summaries and practicing attorneys do this daily. If applicable, you may want to start any set of reading assignments with these articles.

Finally, course materials include actual documents and filings used in the Sunnova, New Fortress and Fermi IPOs. SEC filings for Sunnova, New Fortress and Fermi can be found at [sec.gov](https://www.sec.gov) as well as company websites. Simply finding documents is a skill you will come to rely on when practicing.

I plan to send out lecture materials weekly by PDF. For ease of taking notes, you may wish to print these out and bring them to class or have them handy on your laptop.

GRADING AND ASSESSMENT METHODS

Performance will be evaluated on class attendance and participation, three short drafting assignments (1-2 pages) and a final paper (5-10 pages, single spaced with line breaks between paragraphs). The written assignments will be based on LUMI, a hypothetical company described in a slide deck that will be circulated to you. The assignments require drafting outlines of sections or short portions of disclosure contained in an IPO prospectus. The assignments will be due before the next class after which they were discussed. The final paper is a draft of specified sections of a summary “box” section of an IPO prospectus.

These assignments are consistent with actual work product generated by practicing attorneys and will be driven by hypothetical facts provided for LUMI and publicly traded peer companies.

ARTIFICIAL INTELLIGENCE POLICY

In this class, it is a violation of the honor code to misrepresent work that you submit or exchange with your instructor, including work produced by a generative AI tool such as ChatGPT, by characterizing that work as your own if it is not your own.

ATTENDANCE POLICY

The UH Law Center has a minimum attendance policy of 80%. Failure to satisfy this policy may be referred to the Office of Student Affairs. More importantly, the class is expected to be interactive as well as provide real-time examples from practice. Accordingly, it is my hope that you will make every effort to attend in person. Please notify me in advance of your inability to attend class.

HONOR CODE

The UHLC Honor Code applies to all aspects of this course. You are responsible for knowing all Honor Code provisions and for complying with the Honor Code. Please inquire if you have any questions regarding how the Honor Code’s provisions apply to specific activities or situations related to this course. Your continuing enrollment in this course is deemed to be a pledge by you under the Honor Code to comply with the Honor Code in relation to this course and to comply with the instructions in the course syllabus.

CLASS SESSIONS AND ASSIGNMENTS

I. ORGANIZATIONAL MEETINGS – PLAYERS, WORKSTREAMS AND TIMELINES

Discussion of the role of the issuer, the investment banks, the law firms for each of the issuer and investment banks as well as the independent auditors. Major workstreams and a typical timeline will also be discussed. Review organizational materials for Fermi – these organizational “decks” are used by investment banks (e.g., Goldman Sachs, Citi, JP Morgan, Morgan Stanley and others) to kick off the IPO process in an “all hands meeting.”

Materials:

<https://www.sec.gov/files/ipo-investorbulletin.pdf>

https://www.ey.com/en_gl/insights/ipo/trends

Typical IPO Timeline and Major Factors Impacting Timing

Precedent IPO Organizational “Book” to be distributed by PDF

II. CHOICE OF ENTITY; ARTICLES OF INCORPORATION, BYLAWS AND OTHER GOVERNING DOCUMENTS

While the substantial majority of IPOs completed in the U.S. are offerings of common stock by corporations formed in Delaware, Fermi elected to go public as a Texas corporation. In addition to corporate IPOs, Limited Partnerships, Limited Liability Companies, Real Estate Investment Trusts and Royalty Trusts are used as IPO entities. An overview of the IPO structural alternatives will be presented as well as a more in-depth analysis of the structure used by Fermi. We will also discuss why Fermi Inc. elected to go public as a REIT and as a Texas corporation.

Materials:

VE Deck: Choice of Entity

<https://media.velaw.com/wp-content/uploads/2019/11/28180438/dd3e1d9d-c459-457e-ac49-5f3aaf4c8453.pdf> (starting on slide 12)

Organizational Structure Charts for Fermi in prospectus “Summary”.

III. INVESTMENT BANKS: ROLE IN IPO, POTENTIAL LIABILITY UNDER SECURITIES LAWS AND THE DUE DILIGENCE DEFENSE

Investment banks are hired by IPO issuers to market the issuer's securities to institutional investors (e.g., Vanguard and BlackRock) and retail high net worth individual investors. The investment banks receive a percentage of the total IPO proceeds, often 7%, for their services. If the IPO is not completed, the banks do not get paid. The banks face potential liability under the securities laws for misstatements or omissions contained in the registration statement and prospectus. In this session we will examine the role of the investment banks, the statutory basis of the bank's liability as well as the "due diligence defense". New attorneys are often tasked with "due diligence" assignments to help substantiate all statements in offering documents as well as to help protect officers and directors of the issuer itself.

Materials:

https://www.law.cornell.edu/wex/section_11

https://www.law.cornell.edu/wex/rule_10b-5

<https://www.sidley.com/-/media/publications/lpatop-10-tipsdue-diligence-for-securities-offeringsfinal.pdf?la=en&rev=b17257f9391742c796f43245686d1ffc>

Sample due diligence request list to be distributed by PDF.

IV. DRAFTING THE PROSPECTUS – TABLE OF CONTENTS; UNDERSTANDING THE RELATIONSHIP AMONG FORM S-1, REGULATION S-X AND REGULATION S-K

In this session we will discuss the contents of a "Registration Statement on Form S-1" (as contained in the Securities Act of 1933) as well as the SEC rules and regulations driving the content that is required to be included in the prospectus, most notably Regulation S-K and Regulation S-X. The "prospectus" used in marketing the IPO securities to investors is contained within the Registration Statement.

Materials:

Form S-1, Regulations S-K and S-X (review for basic content and organization)

<https://www.sec.gov/files/forms-1.pdf>

<https://www.ecfr.gov/current/title-17/chapter-II/part-229?toc=1>

<https://www.ecfr.gov/current/title-17/chapter-II/part-210>

S-1 Registration Statements for Fermi (sec.gov) (review S-1 table of contents as compared to requirements of Form S-1)

V. DRAFTING THE PROSPECTUS – “THE BOX”

“The Box” is the first +/- 20 pages of the prospectus and the disclosure is literally enclosed in a typeset “box”. The Box is meant to prime investors’ interest in buying securities in the IPO by outlining the industry, the business’s position in that industry, its strengths and strategies, its structure, the risks associated with an investment in the business, the terms of the offering and summary financial information. The Box summarizes the most important aspects of the prospectus and its drafting is the most difficult and time consuming of the IPO process, involving the issuers officers, the investment banks, counsel as well as the outside auditors.

In your finals assignment, you will be asked to draft only the portion of the box that covers (1) what LUMI does, (2) the market opportunity for LUMI and (3) LUMI’s strengths and strategies.

Materials:

Prospectus Summary for Fermi (sec.gov) and Sunnova (sec.gov)

Marketing deck for LUMI

Assignment:

Create an outline of the “Box” section for a prospectus for LUMI (due before next class session) – only sections (1) – (3) described above need be outlined.

VI. DRAFTING THE PROSPECTUS – “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS”

The SEC requires management to explain to investors how its business is performing financially by requiring a discussion of key business trends, period to period explanation of changes in financial results (revenues, expenses, profit), and the business’s sources and needs for maintenance and expansion capital.

Materials:

Item 303, Regulation S-K

<https://www.sec.gov/corpfin/cf-manual/topic-9>

“Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in the prospectus for Fermi (sec.gov; read for basic content and organization).

VII. DRAFTING THE PROSPECTUS: “RISK FACTORS”

While the prospectus serves as a tool to sell securities to investors, the SEC requires that the “sales pitch” be balanced by disclosure of the risks associated in an investment in the issuer’s business. These risks can include reduced demand for the issuers’ goods or services, operational hazards, competition, regulatory hurdles as well as risks associated with the issuer’s legal structure and ownership. Risk factors are the first line of defense to plaintiff’s suits alleging the business had not disclosed, or even intentionally hidden, adverse business developments.

Materials:

Item 105, Regulation S-K

<https://www.friedfrank.com/uploads/siteFiles/Publications/LPA%20Journal%20Fall%202018.pdf>

Risk Factors from Fermi (read for basic content and organization) (sec.gov)

Review marketing deck for LUMI to identify potential business risks

Assignment:

Draft one business, one regulatory and one structural risk factor for LUMI (due before next class session)

VIII. DRAFTING THE PROSPECTUS: EXECUTIVE OFFICERS, DIRECTORS, COMPENSATION AND RELATED PARTY TRANSACTIONS

The biographies of the issuer’s officers and directors as well as the operation of its board and committees are described in the “Management” section of the prospectus. Compensation paid to officers and directors is extensively detailed. Within major law firms, the design of compensation plans and related disclosure is handled by compensation specialists within the firm. This session will provide an overview of the types of disclosures required and the role of specialist attorneys in its development.

Materials:

Items 401, 402 and 404 of Regulation S-K

<https://www.meridiancp.com/insights/ipos-and-executive-pay/>

<https://www.velaw.com/insights/related-party-transactions-disclosures-in-sec-crosshairs/>

“Management”, “Executive Compensation” and “Related Transactions” Sections of Fermi prospectus (sec.gov)

Assignment:

Draft a biography for one officer and one director of LUMI satisfying the requirements of S-K, Item 401 (due before next class session). You are free to invent background facts reflecting applicable experience for each of these bios.

IX. FINANCIAL STATEMENT REQUIREMENTS; AUDITOR’S “COMFORT LETTERS” AND COMPANY SUPPORT

Form S-1 requires that audited financial statements be included in an IPO prospectus – generally two years of audits as well as interim financial information. In addition, the underwriters request that the outside auditors deliver “comfort letters” at pricing and closing which confirm that the financial information contained within the prospectus is consistent with audited financial records. Comfort letters from independent auditors are a key component in establishing a due diligence defense for the underwriters. Junior associates are often tasked with working with the independent auditors and the issuer to obtain “comfort letters” as well as company support for financial, operational and industry disclosures contained in the prospectus.

Materials:

<https://www.lw.com/admin/upload/SiteAttachments/us-financial-statements-guide.pdf>
(first nine pages only)

Form S-1, Item 11(e)

Regulation S-X (read for basic content and organization)

“F Pages” of Fermi (read for basic content and organization)

Precedent Comfort Letter from Auditors to be circulated by PDF.

X. SEC REVIEW PROCESS

When the Registration Statement is submitted to the SEC, it is assigned to an industry branch and reviewed by members of the SEC’s legal and accounting staff. No more than 30 days following submission, the SEC sends the issuer and its counsel a “comment letter” containing specific requests to revise or augment disclosure contained in the prospectus.

The working group develops appropriate revisions to disclosures and/or explanations contained in a response letter and an amendment is filed with the SEC for further review. The SEC will respond to that submission and this process continues until the SEC's comments have been satisfied. This process can take between two and three months, depending on the nature of the comments. This session will focus on the SEC review process and steps required to finalize disclosure prior to marketing.

Materials:

<https://www.sec.gov/divisions/corpfin/cffilingreview>

<https://www.orrick.com/en/Insights/2018/06/Tips-for-Successful-SEC-Staff-Review-of-Your-IPO>

SEC Comment letters to Fermi (sec.gov; search for correspondence)

XI. NYSE AND NASDAQ LISTING PROCESS

The NYSE and the NASDAQ are the two primary exchanges for U.S. IPO listings. Issuers must apply to have their shares “listed” so that they can be traded on the exchange and must meet certain financial thresholds to qualify. In addition, both the NYSE and NASDAQ have material governance and disclosure requirements which work in tandem with SEC regulations.

Materials:

<https://www.ipohub.org/article/choosing-stock-exchange>

<https://www.nyse.com/listings/resources> (review for basic structure)

<https://listingcenter.nasdaq.com/assets/initialguide.pdf> (review for basic structure)

Precedent listing applications to be circulated by PDF.

XII. TESTING THE WATERS AND ROAD SHOWS – MARKETING THE IPO

While the SEC is reviewing the registration statement, the investment bankers will set up numerous “Testing The Waters” meetings with potential investors. This process can last one to two weeks.

Following completion of the SEC's review, a “red herring” prospectus is printed (without pricing information other than an indicative range), hard copy prospectus “books” are printed and circulated and the “Road Show” commences, consisting of multiple virtual and in person meetings with investing accounts at institutions like Fidelity, Vanguard, and

BlackRock, as well as wealthy individual and family offices, to build demand for the IPO. Most Road Shows last five business days and feature meetings with the top executives of the business together with representatives of their investment bankers. Marketing materials include both the preliminary prospectus as well as the road show slide deck used as a presentation tool to investors.

Materials:

<https://www.investopedia.com/terms/r/roadshow.asp>

<https://hbr.org/2012/08/the-right-way-to-run-an-ipo-ro>

Precedent Testing the Waters and Road Show Decks to be circulated by PDF.

XIII. PRICING AND CLOSING

Over the course of the road show, the investment banks build a “book” of potential order sizes at differing prices. Based on this feedback, an IPO price is proposed to the issuer, and, if agreed, the deal prices and the Underwriting Agreement is executed. The securities begin trading the next morning on the NYSE or NASDAQ while the formal closing occurs one business day later. A final prospectus containing the pricing is filed with the SEC. This period is one of intense activity for the attorneys for both issuer and investment bank.

Materials:

<https://www.investopedia.com/articles/financial-theory/11/how-an-ipo-is-valued.asp>

<https://www.ipohub.org/article/day-of-the-ipo-pricing-your-offering>

Precedent Underwriting Agreement to be circulated by PDF (review for basic types of contractual provisions only)

XIV. LEGAL SUPPORT FOR CLIENTS POST IPO; LAW FIRM ECONOMICS

Following closing, the issuer is a “public company” and is obligated to make 1934 Act filings with the SEC. A brief overview of the issuer’s legal obligations as well as counsel’s role in helping satisfy those obligations will be covered. In addition, this session will discuss the financial importance of IPO clients to large law firms, as well as the personal rewards for attorneys helping clients along this journey.

Materials:

<https://corpgov.law.harvard.edu/2023/04/18/governance-and-disclosure-reminders-for-public-companies/>

VE Deck: Now That You're a Public Company to be circulated by PDF.

EXAM ASSIGNMENT

Draft a summary ("the Box") for LUMI covering the following topics (1) what LUMI does, (2) LUMI's market opportunity and (3) LUMI's strengths and strategies. Your final does not need to include the risk factors or biographies drafted for earlier assignments. This summary can be between five to ten pages, single spaced with line breaks between paragraphs. Inclusion of relevant graphics is welcome. The paper will be due December 1, 2026.

MENTAL HEALTH AND WELLNESS RESOURCES

The University of Houston has a number of resources to support students' mental health and overall wellness, including CoogsCARE and the UH Go App. UH Counseling and Psychological Services (CAPS) offers 24/7 mental health support for all students, addressing various concerns like stress, college adjustment and sadness. CAPS provides individual and couples counseling, group therapy, workshops and connections to other support services on and off-campus. For assistance visit uh.edu/caps, call 713-743-5454, or visit a Let's Talk location in-person or virtually. Let's Talk are daily, informal confidential consultations with CAPS therapists where no appointment or paperwork is needed.

Need Support Now? - If you or someone you know is struggling or in crisis, help is available. Call CAPS crisis support 24/7 at 713-743-5454, or the National Suicide and Crisis Lifeline: call or text 988, or chat 988lifeline.org.

TITLE IX/SEXUAL MISCONDUCT

Per the UHS Sexual Misconduct Policy, your instructor is a "responsible employee" for reporting purposes under Title IX regulations and state law and must report incidents of sexual misconduct (sexual harassment, non-consensual sexual contact, sexual assault, sexual exploitation, sexual intimidation, intimate partner violence, or stalking) about which they become aware to the Title IX office. Please know there are places on campus where you can make a report in confidence. You can find more information about resources on the Title IX website at <https://uh.edu/equal-opportunity/title-ix-sexual-misconduct/resources/>.

REASONABLE ACADEMIC ADJUSTMENTS/AUXILIARY AIDS

The University of Houston is committed to providing an academic environment and educational programs that are accessible for its students. Any student with a disability who is experiencing barriers to learning, assessment or participation is encouraged to contact the Justin Dart, Jr. Student Accessibility Center (Dart Center) to learn more about academic accommodations and

support that may be available to them. Students seeking academic accommodations will need to register with the Dart Center as soon as possible to ensure timely implementation of approved accommodations. Please contact the Dart Center by visiting the website: <https://uh.edu/accessibility/> calling (713) 743-5400, or emailing jdcenter@Central.UH.EDU.

The Student Health Center offers a Psychiatry Clinic for enrolled UH students. Call 713-743-5149 during clinic hours, Monday through Friday 8 a.m. - 4:30 p.m. to schedule an appointment.

The A.D. Bruce Religion Center offers spiritual support and a variety of programs centered on well-being.

The Center for Student Advocacy and Community (CSAC) is where you can go if you need help but don't know where to start. CSAC is a "home away from home" and serves as a resource hub to help you get the resources needed to support academic and personal success. Through our Cougar Cupboard, all students can get up to 30 lbs of FREE groceries a week. Additionally, we provide 1:1 appointments to get you connected to on- and off-campus resources related to essential needs, safety and advocacy, and more. The Cougar Closet is a registered student organization advised by our office and offers free clothes to students so that all Coogs can feel good in their fit. We also host a series of cultural and community-based events that fosters social connection and helps the cougar community come closer together. Visit the CSAC homepage or follow us on Instagram: @uh_CSAC and @uhcupbrd. YOU belong here.

WOMEN AND GENDER RESOURCE CENTER

The mission of the WGRC is to advance the University of Houston and promote the success of all students, faculty, and staff through educating, empowering, and supporting the UH community. The WGRC suite is open to you. Stop by the office for a study space, to take a break, grab a snack, or check out one of the WGRC programs or resources. Stop by Student Center South room B12 (Basement floor near Starbucks and down the hall from Creation Station) from 9 am to 5 pm Monday through Friday.

RECORDING OF CLASS

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the Justin Dart, Jr. Student Accessibility Center. If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with anyone without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

