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May 25, 2022

Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: File Number S7-13-22

RSM US LLP appreciates the opportunity to offer our comments on SEC Release No. 33-11048, *Special Purpose Acquisition Companies, Shell Companies, and Projections* (the proposed rule). RSM US LLP is an independent registered public accounting firm serving middle-market issuers, brokers and dealers.

We believe it is important that the Commission's disclosure requirements are clarified for initial public offerings (IPOs) by special purpose acquisition companies (SPACs) and for de-SPAC transactions. We appreciate the Commission's comprehensive efforts to formalize and codify these disclosure requirements, and generally believe the proposed rules regarding the financial statement requirements in business combination transactions involving shell companies would reflect what has been required by the Commission's staff members in their reviews of filings related to SPAC IPOs and de-SPAC transactions. Overall, we believe the proposed rules and amendments, if adopted, would improve the clarity and comparability of the financial disclosures provided by SPACs at the IPO and de-SPAC transaction stages.

In this letter, we offer comments on certain matters in the proposed rule for which feedback was specifically requested by the Commission. Our comments address only those matters for which we have relevant knowledge and experience as a provider of audit and attestation services.

Financial statement requirements in business combination transactions involving shell companies

> 103. Should we adopt the amendments and new rules related to aligning financial statement disclosures, including Rule 15-01 of Regulation S-X, as proposed?

We agree with the proposed amendments and new rules related to aligning the financial statement disclosures, including Rule 15-01 of Regulation S-X. We believe the new rules, if finalized, would properly align the financial statement reporting requirements for business combinations involving a shell company and a private operating company with those for traditional IPOs.

> 104. Should Rule 15-01 provide that the term audit (or examination), when used in regard to financial statements of a business that is or will be a predecessor to a shell company, means an examination of the financial statements by an independent accountant in accordance with the standards of the PCAOB for the purpose of expressing an opinion thereon, as proposed?

We believe the proposed rule, if finalized, would appropriately codify current SEC staff guidance and align the level of audit assurance required for the target private operating company in business combination transactions involving a shell company with the current requirements for an audit of a private operating company in a traditional IPO to be performed in accordance with the standards of the Public Company Accounting Oversight Board.

105. Should Article 15 of Regulation S-X address financial statement requirements for the acquisition by a shell company of a business that will be its predecessor, as proposed, or should we limit the requirements to apply only to a de-SPAC transaction, and if so, why?

We agree that Article 15 of Regulation S-X should address the financial statement requirements for the acquisition by a shell company of a business that will be its predecessor. We believe it is appropriate to align the financial statement requirements for a private operating company involved in a business combination with a shell company with those required in an IPO.

106. Should the significance tests that determine whether the financial statements of businesses that are not or will not be the predecessor are required to be filed employ the denominator of the private operating company in lieu of that of the shell company registrant, as proposed? Should the pro forma financial information that gives effect to the shell company transaction be allowed to be used as the denominator in measuring the significance of other acquisitions not involving a predecessor? Should there be restrictions on when such pro forma financial information is used to measure significance, such as only for acquisitions that occur subsequent to consummation of the transaction and not for acquisitions that are done in tandem with the shell company transaction?

Because the private operating company will be the predecessor and because a shell company has nominal activity, we agree that the significance tests that determine whether the financial statements of businesses that are not or will not be the predecessor are required to be filed should employ the denominator of the private operating company in lieu of that of the shell company registrant.

Similarly, for other acquisitions not involving a predecessor, we believe the measurement of significance should be based on the pro forma financial information that gives effect to the shell company transaction.

Use of pro forma information reflecting the entities combined at the shell company merger date should be restricted to subsequent transactions.

107. Should the financial statements of a shell company not be required in filings once the financial statements of the registrant include the period in which the acquisition was consummated, as proposed? Are there situations in which investors would continue to rely upon the information in the shell company financial statements after the acquisition was consummated and reflected in the financial statements of the registrant, or other factors we should consider in determining when the shell company financial statements should not be required in filings after the acquisition is complete? Should the accounting for the transaction as a forward acquisition or reverse recapitalization determine whether the financial statements are required in filings made after the acquisition was consummated?

We agree that the financial statements of a shell company should not be required in filings once the financial statements of the registrant include the period in which the acquisition was consummated. We

believe the financial statements of the SPAC, as a shell company, are no longer relevant or meaningful to an investor after a de-SPAC transaction once the financial statements of the registrant include the period in which the de-SPAC transaction was consummated.

We are not aware of any situations in which investors would continue to rely upon the information in the shell company financial statements after the acquisition was consummated and reflected in the financial statements of the registrant, or other factors the Commission should consider in determining when the shell company financial statements should not be required in filings after the acquisition is complete. However, we encourage the Commission to consider the input of investors in this regard.

We do not believe the accounting for the transaction as a forward acquisition or reverse recapitalization should determine whether the shell company financial statements are required in filings made after the acquisition was consummated. We believe that (a) the pertinent historical financial information is that of the predecessor, and the pertinent prospective financial information is that of the combined entity, and (b) the form of the transaction is not relevant in this regard.

108. Should Rule 11-01(d) of Regulation S-X be amended to state that a SPAC is a business for purposes of the rule, as proposed? Would it change the existing application of Rule 11-01(b)(3)(i)(B) of Regulation S-X as it relates to de-SPAC transactions? Should eliciting the financial statements of the SPAC in a resale registration statement of an issuer that is not a SPAC be accomplished through a rule that specifically requires the SPAC financial statements to be filed (subject to the provisions of proposed Rule 15-01(e))?

We defer to investors to opine on whether they believe the SPAC financial statements are relevant to the investor, and therefore should be filed, in a resale registration statement of an issuer that is not a SPAC.

109. The Form 8-K filed pursuant to Item 2.01(f) may require a third fiscal year of certain financial statements for an acquired business that is the predecessor to a shell company and an emerging growth company, while Rule 15-01(b), as proposed, would only require two. Should we amend the Form 8-K requirement to provide an exception to the required Form 10-type information so the financial statements of the acquired business need not be presented for any period prior to the earliest audited period previously presented in connection with a registration, proxy, or information statement of the registrant?

We believe the SEC's rules should align the financial statement reporting requirements for business combinations involving a shell company and a private operating company with those for traditional IPOs. Therefore, we believe it would be prudent to amend the Form 8-K requirements to align with Rule 15-01(b), as proposed, and thereby explicitly provide an exception to the required Form 10-type information so the financial statements of the acquired business need not be presented for any period prior to the earliest audited period previously presented in connection with a registration, proxy or information statement of the registrant.

We would be pleased to respond to any questions the Commission or its staff may have about our comments. Please direct any questions to Scott Wilgenbusch, SEC Services Leader, at [redacted]

Sincerely,

RSM US LLP

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