
K-Notes: Form 10K

from Walmart

Information as Advantage

A public company's Form 10K is a great place to find information that can give you a competitive advantage in negotiating with them or giving you what you need before deciding on entering into a business deal with them.



"There is a ton of information that these companies have to put out there and a lot of lawyers don't even know it exists."

Jen Reise

Professor, Mitchell
Hamline School of Law

KEY TAKEAWAYS

- **Match their language**

Take a look in the business section for what kind of lingo and terms the company uses. If you use the same language, you are more likely to gain favor with them in a negotiation.

- **Easy homework on properties**

Looking at a company's 10K can give you easy-to-find numbers on how many stores a company has, and what they define as a store.

- **Pending litigations**

The legal proceedings section will have information on all pending cases, which can answer several key questions: How does this company act in litigation? Have they been in litigation with companies similar to yours? Do they defend vigorously?

- **You can follow the money**

A Form 10K will disclose how many shares are bought back each quarter. Which will show you how the company is using its money. Do they acquire more business, improve existing business, pay employees more, etc?

"These are very, very carefully written documents...when we talk about the level of drafting and the amount of money that's spent on making these disclosures perfect, it is probably one of the highest levels of anything that you would see."