How to Read SEC Filings: No Accounting Degree Required

SEC - Educational Fundamentals - March 21, 2026

Plain-English guide to SEC filings, dilution red flags, EDGAR search, and filing types retail investors should monitor.

EDGAR - the SEC's filing database - is one of the most powerful tools available to retail investors. Every material event at every public company is disclosed there within days. The problem isn't access; it's knowing what to look for.

This guide cuts through the jargon. We'll show you the 5 filing types that matter most, what to look for in each, and how to find the red flags that most investors miss entirely.

What You'll Learn

* How to Navigate EDGAR
* The 8-K: Breaking News from the Company
* The S-3: The Dilution Warning Shot
* The 424B: The Offering Is Happening Now
* The 10-K and 10-Q: The Financial Reality Check
* The DEF14A: Voting and Compensation
* Red Flags to Search for in Any Filing
* Beyond Manual: Automating Your Research

How to Navigate EDGAR

EDGAR (Electronic Data Gathering, Analysis, and Retrieval) is at sec.gov/edgar. To look up filings for a specific company:

* Go to https://www.sec.gov/cgi-bin/browse-edgar
* Enter the company name or ticker symbol
* Select "Full-Text Search" or browse by filing type
* For real-time monitoring, use the EDGAR RSS feed: https://www.sec.gov/cgi-bin/browse-edgar?action=getcurrent

? Pro Tip

EDGAR's full-text search lets you search for specific phrases across all filings. Try searching "at-the-market" or "variable rate conversion" to find companies with active dilution programs.

The 8-K: Breaking News From the Company

FORM 8-K

Current Report - Material Events

Must be filed within 4 business days of a material event. This is how companies announce earnings misses, executive departures, financing agreements, and offering announcements.

What to look for in 8-K filings:

* Item 1.01 (Material Agreements): New financing, securities purchase agreements, or toxic convertible notes will appear here
* Item 2.02 (Earnings): Quarterly and annual earnings - but read the MD&A section, not just the headline numbers
* Item 5.02 (Executive Changes): Sudden CFO or CEO departures are a major red flag
* Item 8.01 (Other Events): Catch-all for material events that don't fit other categories

? Red Flag 8-K Language

"...entered into a Securities Purchase Agreement with [investor name] for the issuance of a Senior Convertible Note in the principal amount of $X,XXX,000... convertible at 70% of the lowest VWAP during the 10 trading days prior to conversion..." Translation: toxic financing. Run.

The S-3: The Dilution Warning Shot

FORM S-3

Registration Statement - Shelf Offering

Registers securities for future sale. Companies can file this and then execute the actual offering weeks or months later. Filing an S-3 does not mean shares are being issued yet - but it means they can be.

Key things to check in an S-3:

* Total registered amount vs market cap: An S-3 for 150% of the current market cap is alarming
* Selling stockholders section: If existing investors are registering shares to sell, that's distribution pressure coming
* Use of proceeds: "General corporate purposes" often means paying bills. "Product development" is less concerning.
* Risk factors section: Companies are legally required to disclose their risks. Read them - especially anything about "going concern" or "need additional capital"

The 424B: The Offering Is Happening Now

FORM 424B3 / 424B5

Prospectus Supplement - Active Offering

This is it. When a 424B is filed, shares are being sold. The offering price, number of shares, and terms are in this document. By the time most investors see the news, the stock has already repriced.

The 424B variant cheat sheet:

* 424B3 - Most common. Used for ATM programs and ongoing shelf takedowns. See multiple 424B3s? Active ATM program.
* 424B4 - IPO or large registered offering. The "big event" offering.
* 424B5 - Prospectus supplement to an existing S-3 shelf. The offering is happening now.

The 10-K and 10-Q: The Financial Reality Check

FORM 10-K / 10-Q

Annual / Quarterly Report

The most comprehensive financial disclosure. 10-K is annual, 10-Q is quarterly. Most investors skip to the headline numbers. The real information is buried in the footnotes.

The dilution-relevant sections in a 10-K/10-Q:

* Note on Stockholders' Equity: Lists all shares outstanding, authorized, and reserved for future issuance (warrants, options, convertible notes)
* Going Concern language: If auditors mention "substantial doubt about continuing as a going concern" - the company needs cash badly. Dilution is coming.
* Cash and burn rate: Cash on hand divided by quarterly cash burn = runway in quarters. Under 4 quarters = danger zone.
* Subsequent Events note: Companies disclose material events that happened after the quarter end but before filing. Check this for upcoming offerings.

The DEF14A: Voting and Compensation

FORM DEF14A

Proxy Statement - Shareholder Vote

The proxy is filed before annual shareholder meetings. Most investors ignore it. That's a mistake.

Watch for these proxy proposals:

* Authorized share increase: "Proposal to increase authorized shares from 500M to 2B" - this is the company loading the magazine before they dilute
* Reverse stock split authorization: Almost always precedes more dilution
* New equity incentive plan: Executive stock awards add to dilution; check the size relative to shares outstanding

?? Proxy Warning

Retail investors rarely vote their shares, so management almost always gets what they want in the proxy. An authorized share increase proposal is essentially a dilution green light. If you see one filed, assume it passes.

Universal Red Flags Across All Filings

Certain phrases appear across filing types. Train yourself to search for these when reviewing any SEC document:

* "Going concern" - Auditors doubt the company can continue operating
* "Variable rate conversion" or "floating conversion price" - Toxic financing
* "Additional capital to fund operations" - They're running out of money
* "At-the-market offering" or "equity distribution agreement" - ATM program active
* "Beneficial ownership limitation" - Often seen in toxic notes to hide the full dilution
* "Authorized but unissued shares" followed by a large number - Dilution reservoir
* "Substantially all of our revenues" from one customer - Concentration risk

Beyond Manual: Automating Your Research

Here's the honest truth: manually checking EDGAR for every stock you follow is unsustainable. A 20-stock portfolio generates hundreds of filings per month. You will miss things.

The institutional solution is automated EDGAR monitoring with alerts - exactly what hedge funds use to stay ahead. TraderTools brings this capability to retail investors: 60-second polling of EDGAR across 8,500+ active tickers, covering 25 filing types with timely alerts when something important hits.

EDGAR Monitoring, Automated

Stop reading filings manually. TraderTools alerts you the moment an S-3, 424B, or 8-K hits for any stock you're watching. Free to start.

Track Dilution Risk Free ->

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