Who controls the company after the IPO?

Who controls the company after the IPO? is a free 50-minute high school lesson on ownership before and after a company's first share sale. Students work out how much the largest holder keeps at four companies, read their share classes and lock-ups, and cite each filing.

5-minute prep

- Print: one worksheet per student (2 pages, black and white). Print the answer key for yourself.
- Project: the slides (12 slides). The company cards start on slide 5.
- Read: "Teacher background in 2 minutes" below, then the discussion guidance.

Grade	High school, grades 9–12
Time	50 minutes (splits into two 25-minute blocks)
Edition	2026–27 first edition v1.0
Lesson page	cityfort.co/teachers/where-does-ipo-money-go/control-after-the-ipo

Objective

Students can work out how a holder's part of a company changes when new shares are sold, explain a lock-up, and describe who controls the votes after an IPO, citing the filing.

Standards the lesson supports

- 7.RP.A.3 (Common Core states)
- Investing 8-4 (Jump$tart / CEE National Standards)
- CCSS.ELA-Literacy.RH.11-12.7 (Common Core states)

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Timing

Minutes	Step	What happens
0–6	**Warm-up**	A made-up founder owns 60 of a company's 100 shares. The company sells 50 new shares. What part does the founder own now? (made-up numbers)
6–14	**Three words**	Dilution, lock-up and controlled company, and where an S-1 or F-1 shows each one.
14–30	**Before and after**	Pairs work out the largest holder's part before and after the offering at Focus Media and Little West.
30–40	**Classes and lock-ups**	Pairs read the Entrata and vVARDIS cards: share classes that keep votes with some holders, and lock-ups of different lengths.
40–46	**Discussion**	How can a holder keep control while owning a smaller part? Describe, don't judge.
46–50	**Exit ticket**	Exit ticket (4 questions).

Materials

- The slides (projected) or the printed worksheet.
- One worksheet per student. It prints in black and white on two pages.
- A calculator.
- No accounts, no logins and no internet access are required. The student page is optional.

Discussion questions

1. Ms. Chee sold no shares in Focus Media's offering. Why did her part of the votes fall?
2. After its offering, Veg House would still own more than half of Little West. What can a holder with more than half of the votes decide?
3. Entrata's Class B shares turn into Class A when most of them are sold or transferred. What does that rule do to control over time?
4. vVARDIS's co-founders agree not to sell for 270 days, longer than other holders' 180. What does the longer lock-up mean for when the co-founders can sell, and what exception does the filing describe? (Describe it. Do not judge it.)

Adapting the lesson

English language learners: ELL: a pie chart before and after (the same slice in a bigger pie), a word bank and sentence frames.

IEP and 504 plans: IEP: the Part C table with the totals filled in; students divide and round.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Advanced students: Advanced: students work out Veg House's part if the underwriters buy their extra shares, and compare it with the filing's figure.

Extension: Wella's S-1/A says KKR funds will still hold more than half of the votes after its offering. Students read Wella's Cityfort IPO page and describe in two sentences what the filing says about control and the lock-up. Read Cityfort's Learn entries Dual-class shares and IPO lock-up expiry.

Teacher background

Dilution

When a company sells new shares, the total number of shares grows. Every existing owner who keeps their shares then owns a smaller part, even though they sold nothing.

Control

Control means having more than half of the votes, enough to elect the board. A holder can keep control after an IPO if enough of its part remains, or if its shares carry more votes.

Controlled company

Stock exchanges call a company "controlled" when one holder or group has more than half of the votes for directors. Such a company may skip some board rules, and its filing says whether it will.

Lock-up

A lock-up is an agreement by the company, its insiders and many existing holders not to sell shares for a set time after the IPO, often 180 days. The underwriters can release shares early.

Where to look

"Principal stockholders" gives ownership before and after the offering. "Description of capital stock" sets out the classes. "Shares eligible for future sale" and "Underwriting" describe the lock-ups.

As filed

Every figure in this lesson is the filing's own, as of its date. Ownership after the offering is what the filing expects if the offering happens as described.

If your class runs a stock-market simulation, these lessons can come before it: they explain what a company does and how it reports results. They do not suggest which companies to choose, and Cityfort does not run, rank or judge simulation picks.

Teaching notes

- Students often think a holder's part falls only when they sell. The warm-up's same-slice, bigger-pie picture is the key idea.
- "After the offering" figures are each filing's expectation if the offering goes ahead as described. Keep the date on every figure.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Standards supported

This lesson supports these outcomes. It does not cover all of any standard.

Common Core State Standards text: © Copyright 2010. National Governors Association Center for Best Practices and Council of Chief State School Officers. All rights reserved. Personal finance standards text: Copyright © 2021, Council for Economic Education and Jump$tart Coalition for Personal Financial Literacy. All rights reserved. Reproduced for noncommercial educational purposes.

- Common Core 7.RP.A.3 (used as review): a holder's part before and after new shares are sold.
- National Standards for Personal Financial Education (2021), Investing 8-4 (used as review): new part-owners change the existing owners' parts.
- Common Core RH.11-12.7: ownership tables, share-class rules and lock-up terms combined.

Teacher background in 2 minutes

- Dilution: the same number of shares divided by a larger total gives a smaller part.
- Control: more than half of the votes for directors. Focus Media and Little West keep a majority holder after their offerings, by the filings' own figures.
- Share classes: Entrata's Class B carries 10 votes per share. vVARDIS's founders' shares carry more votes per franc invested, so their part of the votes is larger than their part of the economic rights.
- Sunset rules: Entrata's Class B converts into Class A on most transfers and all at once below a set level, so the extra votes do not last forever.
- Lock-ups: usually 180 days after the prospectus date; vVARDIS's co-founders agree to 270. Underwriters can release shares early, and the filing says so.

Materials

- Slides (PowerPoint, 12 slides). Every table is a real table, not a picture.
- Student worksheet with exit ticket (2 pages).
- Answer key.
- Calculators.

0–14 minutes: Warm-up and three words (slides 1–4)

- Show the founder's slice. The numbers are made up, and the slide says so.
- Before: 60 ÷ 100 = 60%. After: 60 ÷ 150 = 40%. The founder sold nothing but no longer has more than half.
- Define dilution, lock-up and controlled company. Students copy them into Part B.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

14–30 minutes: Before and after (slides 5–7)

- Pairs fill in Part C for Focus Media and Little West: shares before, shares after, the holder's part after.
- Check that their division matches the filing's own percentage.

30–40 minutes: Classes and lock-ups (slides 8–9)

- Pairs fill in Part D from the Entrata and vVARDIS cards: who holds the extra votes, how long each lock-up runs, and any rule that ends the extra votes.

40–46 minutes: Discussion (slides 10–11)

- Use the discussion questions below.
- If students say a setup is unfair to buyers, ask: "Which rule in the filing are you describing?"

46–50 minutes: Exit ticket (slide 12)

- Students answer the four exit-ticket questions on page 2 of the worksheet.

Splitting into two 25-minute blocks

Block 1 covers minutes 0–25, ending after Part C. Block 2 opens with a 3-minute recap of dilution, then Part D, discussion and the exit ticket.

Guidance for the discussion questions

Question 1. The company sold new shares, so the total grew while her shares stayed the same: 11,250,000 of 20,000,000 is 56.25%.

Question 2. A holder with more than half of the votes can elect the board, and through it oversee the managers. Accept that answer; the filing says Little West would be a controlled company.

Question 3. Extra votes fade as Class B is sold or falls below the set level, so control can shift back toward Class A holders over time.

Question 4. The co-founders cannot sell for longer than others, though the filing says their lock-up lets them transfer shares to lenders under personal loan arrangements. Accept descriptions; do not accept "good," "bad" or "safe."

Sentence frames

- "Before the offering, ____ held ____%; after it, ____% because ____."
- "____'s lock-up lasts ____ days, according to its ____ (filing)."

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

- "At ____, the votes after the offering are controlled by ____."

Differentiation: ELL

- Two pie charts: the same slice in a small pie and in a bigger one.
- Word bank: dilution, control, majority, votes, class, convert, lock-up, release, founder, parent company.
- Sentence frames (above).

Differentiation: IEP

- Part C with the shares-after totals filled in; students divide and round.
- Two cards only: Focus Media and Little West.
- Calculator allowed. Large print: enlarge the worksheet when printing (tabloid paper works well).
- Shorter exit ticket: questions 1 and 2 only.

Differentiation: Advanced

- If the underwriters buy their 562,500 extra shares, Little West would have 9,312,500 shares.
- Ask students to work out Veg House's part: 5,000,000 ÷ 9,312,500 × 100, and compare it with the filing's 53.7%.

student page

Scan the code or type: **cityfort.co/class/ipo-control**

Sources

1. S1: Focus Media Network Limited Form F-1, filed Oct 28, 2026, Focus Media Network Limited (SEC EDGAR), Oct 28, 2026. https://www.sec.gov/Archives/edgar/data/2123920/000121390026113189/ea0284557-07.htm
2. S2: Little West Holdings Inc. Form S-1/A (Amendment No. 9), filed Sep 14, 2026, Little West Holdings Inc. (SEC EDGAR), Sep 14, 2026. https://www.sec.gov/Archives/edgar/data/2065821/000121390026099701/ea0305381-s1a9_little.htm
3. S3: Entrata, Inc. Form S-1/A, Amendment No. 2, filed Sep 1, 2026, Entrata, Inc. (SEC EDGAR), Sep 1, 2026. https://www.sec.gov/Archives/edgar/data/2028464/000162828026059692/entrata-sx1a2.htm
4. S4: vVARDIS Holding AG Form F-1/A (Amendment No. 1), filed Nov 6, 2026, vVARDIS Holding AG (SEC EDGAR), Nov 6, 2026. https://www.sec.gov/Archives/edgar/data/1907709/000114036126042406/ny20076472x13_f1a.htm
5. S5: The Wella Company: Form S-1/A (Amendment No. 1), filed Sep 23, 2026, The Wella Company (SEC EDGAR), Sep 23, 2026. https://www.sec.gov/Archives/edgar/data/2125056/000162828026063205/wellaoperations-sx1a1.htm

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Credit and license

"Where does IPO money go?: Lesson 3 – Who controls the company after the IPO?" by Cityfort (cityfort.co/teachers/where-does-ipo-money-go/control-after-the-ipo), CC BY-NC 4.0. Data from Focus Media Network's IPO Form F-1, filed Oct 28, 2026; Little West's IPO Form S-1/A (Amendment No. 9), filed Sep 14, 2026; Entrata's IPO Form S-1/A (Amendment No. 2), filed Sep 1, 2026; vVARDIS's IPO Form F-1/A (Amendment No. 1), filed Nov 6, 2026; and Wella's IPO Form S-1/A (Amendment No. 1), filed Sep 23, 2026.

If you change this material, please remove the Cityfort name or mark it as modified; changed versions are not reviewed by Cityfort. Company names are trademarks of their owners; Cityfort is not affiliated with or endorsed by them.

No ads in any lesson file. Student pages carry at most one non-personalized ad. No student logins. Questions or corrections: cityfort.co/contact.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Data from Focus Media Network's IPO Form F-1, filed Oct 28, 2026; Little West's IPO Form S-1/A (Amendment No. 9), filed Sep 14, 2026; Entrata's IPO Form S-1/A (Amendment No. 2), filed Sep 1, 2026; vVARDIS's IPO Form F-1/A (Amendment No. 1), filed Nov 6, 2026; and Wella's IPO Form S-1/A (Amendment No. 1), filed Sep 23, 2026. Checked Nov 15, 2026.

For learning only. Cityfort is not a registered investment adviser or broker-dealer and does not recommend buying or selling any security. Prices shown are dated and may be out of date.