

F-5: "OHHHH (GULP!) YOU SAID SEC?
I THOUGHT YOU SAID SIC: TAKING
THE ANXIETY OUT OF SECURITIES
RESEARCH AND THE MYSTERY
SURROUNDING THE SECURITIES &
EXCHANGE COMMISSION (SEC)!"

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Presenters:

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Learning Outcomes:

- Participants will be able to identify, explain and locate the most common corporate security filings and understand the role the Securities & Exchange Commission (SEC) has to play in all of it.

- Participants will have the beginning knowledge to create and perform their own corporate/securities training session using the material provided in this program as an outline.

Agenda:

- Private vs. Public Companies
- Securities & Exchange Commission (SEC):
 - SEC Disclosure
- Key SEC Filing Types:
 - 1933 Securities Act
 - 1934 Securities & Exchange Act
 - Exhibits
- Searching for SEC Filings:
 - Public Company Websites
 - SEC.gov

Public vs. Private

- Our program will focus on public companies and how to research information disclosed to the SEC
- Most companies begin as private, as it grows more successful, many find it desirable to convert into a public corporation in order to raise capital needed to further grow their business.
- Once public...
 - Ownership shifts to a large investor audience
 - The company is faced with increased disclosure requirements

Advantages/Disadvantages to Going Public

ADVANTAGES	DISADVANTAGES
Diversification	Cost
Liquidity	Perks
Capital	Inactivity
Firm Value	Disclosure

SEC Disclosure

- How do you know if a company is public?
 - Not always obvious, good place to start is
 - Company's website
 - Do they have SEC filings?
 - Official business directories
- The majority of information available on public companies comes from disclosure documents filed with the SEC and Analysts Reports.
 - It is more difficult to find information on private companies
- The rest of this session will focus on SEC disclosure and where to find valuable company information.

History and Mission of the SEC

- Created in response to the Great Crash of 1929
- Mission of the Securities and Exchange Commission is to:
 - Protect investors
 - Maintain fair, orderly, and efficient markets
 - Facilitate capital formation

Securities Act of 1933

- Prohibits interstate offers and sales of securities not registered with the SEC
- Requires investors receive material information concerning securities being offered for public sale
- Prohibits deceit, misrepresentation, and fraud in the sale of securities to the public

Securities Act of 1933

- Requires the filing of a registration statement including:
 - Financial information
 - Balance sheet
 - Profit and loss statements
 - Other material facts
 - Legal proceedings
- Common registration forms – S-1, S-3

Securities Exchange Act of 1934

- Created the SEC
- Extended federal securities regulation to issued outstanding securities
- Requires publicly-held corporations to disclose specific information
- Requires brokers and dealers to register with SEC
- Purpose is to ensure a fair and honest market for securities

Securities Exchange Act of 1934

- Section 12 requires that certain securities be registered with the SEC and two kinds of reports be filed with the SEC (1) filings to keep their registration current and (2) filings of annual, quarterly and special reports
 - Annual reports (10-K)
 - Quarterly reports (10-Q)
 - Special reports (8-K)
 - Proxy statements (DEF 14A)

SEC Filing Types

1933 Securities Act:

- S-1 Long-form registration statement.
 - Used to register an offering of securities.
 - Used by companies that are not eligible to use a shorter form.
 - Initial public offerings (IPOs) by U.S. companies are filed on form S-1.
- S-3 Short-form registration statement.
 - Used to register an offering of securities by large companies that have an established filing history, provide high quality SEC reports and whose financial information is followed by the market.

SEC Filing Types

1934 Securities Exchange Act:

- 10-K Annual Report (due 60 to 90 days after fiscal year end).
- 10-Q Quarterly Report (due 40 to 45 days after fiscal year end).
- 8-K Current Report (due 4 business days after a triggering event). Used to report an extraordinary event that occurs between reporting periods.
- Proxy Statement. A document used by U.S. companies to solicit votes from their shareholders in connection with certain transactions.

Exhibits

- Filed with Body of Filing OR
- Incorporated by Reference
- Exhibit types you will most likely be asked to pull and under what exhibit number they will most likely be filed:
 - Underwriting Agreement, EX1*
 - Agreement and Plan of Merger, EX2*
 - Articles of Incorporation and Bylaws, EX3*
 - Indenture, EX4*

* Denotes wildcard

Exhibits (Continued)

- Exhibit types you will most likely be asked to pull and under what exhibit number they will most likely be filed:
 - Material Agreements (e.g. Credit Agreement, Employment Agreement, Purchase Agreement (asset, certificate, stock)), Ex10*
 - Offer to Purchase (Tender Offer), EX99*
 - Press Release, EX99*

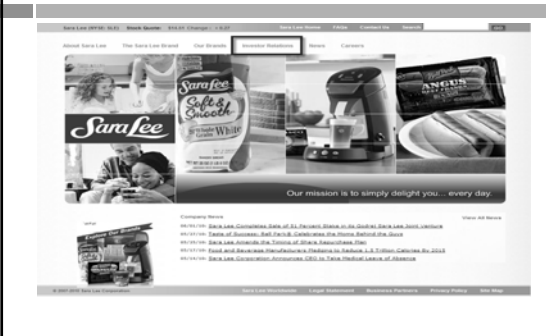
* Denotes wildcard

Searching for SEC Filings

- Free Based Resources:
 - Accessible to Everyone
 - Public Company Websites
 - Securities & Exchange Commission Website (SEC.gov)

Sara Lee Corporation

<http://www.saralee.com>



Fee Based Databases

□ Listed strictly in alphabetical order:*

- Bloomberg Law
- DisclosureNet
- Knowledge Mosaic (fka Securities Mosaic)
- Mergent
- Morningstar Document Research (fka 10K Wizard)
- Westlaw Business

* Sample listing.

The End

Questions?
