

How to Use Federal Securities Law Reports

Introduction

FEDERAL SECURITIES LAW REPORTER (FSLR) contains the information needed for handling federal securities law issues. This is a complex body of law and the solution of even a simple problem requires checking to make sure that some small but significant detail is not overlooked.

Background

Since 1933 when federal securities controls began, the federal securities laws have continually grown in complexity and impact. Paralleling this tremendous expansion, FSLR has been publishing unfolding developments. Subscribers are kept informed of the federal statutes, among the laws covered are:

- Securities Act of 1933
- Securities Exchange Act of 1934
- Trust Indenture Act of 1939
- Investment Company Act of 1940 and
- Investment Advisers Act of 1940

The Public Utility Holding Company Act of 1935 was repealed in 2005, but FSLR retains the law text for historical purposes.

The Securities Investor Protection Act of 1970 is generally considered a part of the Securities Exchange Act, according to its enactment, although technically it is not included within the text of the Exchange Act. The Securities and Exchange Commission administers the federal securities laws. Bank regulatory authorities have a limited role in specified areas.

Developments under all these laws, amendments to the statutes, regulations issued under them, court decisions and SEC actions are reported as they occur. Today, the accumulated information is constantly updated in the continuing issues of FSLR and the accompanying loose-leaf volumes and/or internet subscription.

In the following discussion, the basic system of this reporting is described and explained as well as how the Reports and the loose-leaf volumes or internet subscriptions complement one another to bring subscribers both continuing issues of new developments and the background material with which to evaluate them.

The five major Acts are the basic law. Material interpreting the federal securities laws continuously issues from the Securities and Exchange Commission (SEC) and the courts, and the laws themselves are always subject to legislative change. Thus, an

elaborate maze of legislative, administrative and judicial law makes up the federal securities law system.

Official Reporting

FSLR contains authoritative sources of federal securities law, arranged for quick and easy reference. Official contents include:

- Federal securities law text, with changes and amendments to date
- Rules and regulations interpreting the laws, with current amendments
- Interpretative releases, commenting on the statutes and regulations
- Decisions handed down by the courts on federal securities law issues
- Releases containing rulings and rulemaking of the Securities and Exchange Commission
- Significant no-action and interpretative letters

Explanatory Reporting

Throughout the Reports, CCH editorial features are combined with the official contents to assist in the resolution of federal securities law problems. Among these features are the following:

- Correlators, or introductions, provide a review of the high points of the detailed Compilation contained in a division of the loose-leaf subscriptions. These are not included within the electronic versions
- CCH Explanations include editorial comment discussing, summing up and coordinating law, rules, interpretations, and court decisions
- Annotations, 1- to 2-sentence summaries/digests arranged by topic, of court decisions and agency rulings reported in full text in New Developments

Current Reporting

Any authoritative source is only as up-to-date as the latest revision of its contents. In a field as fluid as federal securities, where today's law may be changed tomorrow, ongoing revision of a Reporter is not only desirable, but also mandatory. The CCH system of rapid and efficient current reporting informs subscribers of new and pending matters. New pages are dispatched weekly to replace or add to existing pages in the loose-leaf volumes, with

similar content updating electronic versions on a weekly basis as well. Thus, the Reports always contain the latest information on federal securities law matters. In addition to the weekly updates for the internet version of the Reports, subscribers have access to the daily document updates of both SEC No-Action Letters and SEC Releases, with archives back to 2004 (for SEC No-Action Letters) and 2005 (for SEC Releases).

Current Reports contain information secured from original sources by the CCH newsgathering staff. Court decisions are reported from official copies, each headnoted by CCH to summarize the issue or issues decided by the opinion and back-referenced to relate the decision to the pre-existing material on the same point in the Compilations. Significant SEC no-action and interpretative letters and releases are similarly headnoted and back-referenced. Subscribers to the internet version can add on CCH's historical library products for Federal Securities Cases Archive - selected cases from 1941 - 1993, SEC No-Action Letters (selected letters from 1971-1977, all letters from 1978 to current) and SEC Releases (selected releases from 1940-1972, all releases from 1973-current).

Weekly Reports

Each week, subscribers receive one or more Reports describing new developments. Each Report consists of two or more parts:

1. The Part 1 report is the separate Report Letter. It summarizes recent developments in the field so that you may determine at once whether one or more is of particular and immediate significance to you. It is a separate unit, designed to circulate to all interested persons. It covers not only all new developments contained in the weekly report but also federal securities news of current interest. Internet subscribers can sign up via preferences to have the Report Summary sent automatically via email each week.
2. Part 2 of the Report consists of new pages, drilled and arranged for insertion in the loose-leaf volumes. A "Contents" page indicates the disposition of the new pages. Contents pages are numbered consecutively and are of current interest only. The "report update" information is incorporated into the Internet version's Compilations to coincide with the mailing of the loose-leaf update.
3. Periodically the Reports include "special" issues such as Congressional bills with explanatory Committee Reports and new laws with explanations. Subscribers to the internet have access to the documents as they are issued.

Loose-Leaf Volumes

The Reports are to be used with the eight loose-leaf volumes. In these volumes, you will find the full texts of the laws, regulations, SEC releases which interpret the law and the regulations, official forms, court decisions, no-action and interpretative letters, and administrative rulings. This information can be located through the Topical Index (available in both loose-leaf and as 'Finding Device' in internet), Case Table, Finding Lists and the Cumulative Index (available in loose-leaf only).

Getting To Know FSLR in Print

The loose-leaf volumes are arranged for convenient reference to the basic contents. Major federal securities law subjects appear on the backbones. Volumes containing the Topical Index, Finding Lists and Case Table are so inscribed.

- Laws, Regulations, certain Interpretative Releases, Explanations and Annotations are in Volumes 1 through 6
- Accounting Rules are included in Volume 6
- Financial Reporting requirements are in Volume 7
- New Developments are in the Current Volume
 - SEC No-Action Letters: ¶s in the 70,000 Range
 - SEC Rulings/Releases: ¶s in the 80,000 Range, Not including the Accounting & Auditing Enforcement Releases & Financial Reporting Releases which are in Volume 7
 - SEC court decisions ¶s In the 90,000 Range

Each major law administered by the Securities and Exchange Commission is in a series of divisions, all with guide cards of the same color. These divisions contain Compilations in which the law is reported section by section, each annotated with regulations and interpretative releases, plus explanations, digests of decisions and rulings, and a section on official forms. The law texts of the four major Acts are reproduced in separate divisions. The texts of newly proposed regulations and forms and proposed amendments to existing regulations and forms are reflected in the Compilation divisions on a current basis.

The Current Volume houses three types of new developments that are issued in the weekly Reports:

- No-action and interpretative letters
- SEC rulings (releases)
- Court decisions

The format for new matters is designed to make each item as informative as possible. Headnotes identify the subject and summarize the contents. Back-references show the related paragraphs in the Compilation divisions.

Getting To Know Federal Securities Law Reporter on the CCH Internet Research NetWork

The internet version of Federal Securities Law Reporter contains the same Compilation paragraphs as the print. In addition to presenting the major laws and regulations as separate menu lines, there are additional publications, tools and features available:

- The Securities Topic Navigator is an electronic tool that provides a directory of topics from multiple sources into a single, topically organized map. You can use this tool to locate particular topics of interest (via either browse or search) and then link directly to the available resources for those topics, provided they are within your subscription contents
- Federal Securities Law Reporter newsletters from 1998 forward

- FSLR Transfer binders from 1993 forward are included within the FSLR subscription contents. (To access: click and open the main menu topic and scroll down to bottom of menu items.) Included in these menu lines are the No-Action Letters, SEC Releases and Court Cases reported in the New Matters (Current) Volume of the print
- Federal Securities Laws and Regulations menu line presents all federal securities laws, SEC rules and regulations in sequential order
- Federal Securities Law Reporter-Finding Device
- SEC No-Action Letters menu line contains Daily Document Updates for the latest Letters
- SEC Releases and other Materials contain Document Updates for the latest Releases
- Jim Hamilton's World of Securities Regulation Blog - A Blog that tracks and discusses important securities law developments in the federal and international arena. Authored by CCH Principal Analyst, James Hamilton, J.D., LL.M. Frequent (usually daily) updates
- White Papers and Memos - A collection of selected white papers and law firm memos on significant developments in federal securities, corporate governance and international securities regulation. Many are authored by CCH Principal Analyst James Hamilton, J.D., LL.M. Others are reproduced, with permission, from the materials of the 35th Annual Securities Regulation Institute, sponsored by Northwestern University School of Law. The materials are available in both text-searchable and PDF format
- Sarbanes-Oxley Act Law and Explanation (2002)
- Executive Compensation and Related-Party Disclosure: SEC Rules and Explanation (2006)

Available as separate add-on subscriptions

- Archive publications for Cases, Releases and No-Action letters reproduced in the Reports since 1940
 - Federal Securities Cases Archive - selected cases from 1941 - 1993
 - SEC No-Action Letters with letters reported in FSLR from 1971 through 1977; Letters reported in FSLR or WSB No Action Letters from 1978 to Current,
 - SEC Releases and other Materials with the selected Releases reported in FSLR from 1940 through 1972; all Releases reported in FSLR or SEC Docket from 1973 to Current
- SEC Staff Comment Letters from May 2005
- SEC Tracker including daily updates from SEC, Exchanges and CCH Tracker News with Archives from 2002 forward

Paragraph and Page Numbers

Paragraph numbers are used exclusively for all reference purposes in the Topical Index (available in both loose-leaf and as 'Finding Device' in internet), Case Table (available in loose-leaf only), Finding Lists (available in loose-leaf

only) and the Cumulative Index (available in loose-leaf only). Paragraph numbers also serve an important function in coordinating new matters with the exact portion of the Compilation affected. Paragraph numbers are preceded by a ¶ sign. Paragraph numbers appear in the loose-leaf text and at the bottom outside corners of the pages. The electronic version presents each paragraph as a separate document. Paragraph numbers from the loose-leaf volumes are mirrored in the electronic version.

Page numbers for the loose-leaf Reports establish the sequence of the contents and are used in filing the Current Reports. Pages are numbered consecutively throughout the eight volumes. Page numbers appear at the top outside corners of the pages. The electronic versions do not include the print page numbers.

Law Text Divisions

The full texts of the four major laws-the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935 and the Investment Company Act of 1940 are reproduced in separate divisions without interpolation of other material. Thus, a subscriber who wishes to get an overall picture of the law or one who wishes to look up the wording of a particular section can do so conveniently without reference to the detailed interpretation presented in the Compilation divisions.

Subscribers to the electronic versions have a separate menu line for Federal Securities Laws and Regulations sections. This section includes the four major laws and also The Investment Advisors Act of 1940, Trust Indenture Act of 1939, Securities Investor Protection Act of 1970 and Sarbanes Oxley Act of 2002 and the related regulations.

SEC Rules vs. Regulations

The SEC makes a distinction between individual sections of its regulatory material, which are designated as "Rules," and groups of such rules, which are designated as "Regulations."

The rules and regulations reproduced in the Compilations contain the official Code of Federal Regulations designations. To distinguish the rules and regulations from the law sections, they are identified by the abbreviation "Reg." which is followed by the CFR section number. The SEC rules and regulations are codified in Title 17 of the Code of Federal Regulations and are cited as "17 CFR."

Title 17 is further subdivided into "Parts." Part 230 covers the Securities Act Regulations. Interpretative releases relating to the Securities Act comprise Part 231. Forms prescribed under the Securities Act are described in Part 239. Similarly, the Exchange Act regulations, interpretative releases and forms are set forth in Parts 240, 241 and 249 and the remaining regulations of the SEC are contained in other Parts of Title 17.

The rules of the Commission are often referred to by their original number assigned by the Commission. This number is issued prior to codification in the CFR and the SEC's rule numbers are preserved as part of the CFR designators. For

example, Rule 134 under the Securities Act would be cited as §230.134. The numbers to the left of the decimal point in the Code designation indicate the Part of Title 17. The digits to the right of the decimal point in the Code designation are the same as the SEC's rule number. A list of rules and regulations reproduced in the service by CFR designator with location in the loose-leaf Reporter begins on page 65,031; a list by SEC number of Industry Guides, with location in the loose-leaf Reporter begins on page 65,091. These lists are not included on the internet version because Rules and Regulations can be retrieved via browsing the menu topics or via Find by Citation templates.

Compilation Divisions

- This term originated with the process of publishing CCH's Reporters in print volumes. It refers to the main body of documents including the Topical Index, Explanations, Annotations, Statutes and Rules/Regulations. CCH Editors compile all relevant documents for a specific topic. The Compilation divisions are organized using the same basis as the particular law they interpret
- After each section or subsection of the statute appears the text of regulations pertaining to it, followed by interpretative releases from the SEC dealing with either law or regulations. In some cases, a CCH Explanation follows this material. Annotations dealing with SEC rulings and court decisions complete the unit. The internet service also includes the Current Developments pertaining to particular section at top of the unit
- The rules and regulations issued under the Securities Act of 1933 and under the Securities Exchange Act of 1934 are also located in separate divisions in numerical order. The rules and regulations in these divisions include their CFR section number and with the SEC rule number. Following each regulation is a reference to the Compilation paragraph number where the regulation is reproduced
- The Compilation reference is a guide to the area where neighboring paragraphs may contain related information or annotations of administrative rulings and court decisions. The loose-leaf finding list on page 65,031 identifies the location in the Compilation divisions of rules and regulations under all Acts

Forms Divisions

Separate divisions include reproductions of the official SEC forms for each of the major statutes. The descriptions of these forms, which are codified in the Code of Federal Regulations, are listed in the loose-leaf finding lists beginning at page 65,031 with their CFR designator and their location in the Reporter. A list of all the forms, in numerical order, begins on page 65,921 in the loose-leaf version. The forms are also listed in the loose-leaf version by their SEC designators, with an identification of subject matter, in the table of contents for the division in which they are

reproduced. The electronic version contains a Finding Device/Topical Index that has an entry for each form and a link to the text as well as Find by Citation templates for retrieving forms.

Accounting Practices and Procedures

Four special divisions cover SEC rules and interpretations on accounting practices and procedures:

1. The SEC's accounting rules, a codification of instructions as to the form and content of financial statements, are reproduced, explained and annotated in the "Accounting Rules-Regulation S-X" division in Volume 6.
2. SEC releases on accounting and auditing matters and a codification of the Commission's current published positions on accounting and auditing matters relating to financial reporting are in the "Financial Reporting Releases-Codification" division in Volume 7.
3. Interpretations and practices followed by the SEC's Division of Corporation Finance and the Office of Chief Accountant in administering disclosure requirements of the federal securities laws are set forth in the "Staff Accounting Bulletins" division in Volume 7.
4. Releases relating to enforcement actions against accountants are reported in the "Accounting and Auditing Enforcement Releases" division in Volume 7.

Regulations S-K and S-B

The "Regulation S-K" division provides the uniform disclosure requirements for documents filed with the SEC under the Securities Act and the Exchange Act. Substantially all of the SEC's requirements for the disclosure of non-financial information in registration statements and other disclosure documents are contained in Regulation S-K. The forms and schedules adopted by the SEC specify which disclosure items of Regulation S-K are required in a given document.

The simplified disclosure requirements for small business issuers are contained in Regulation S-B. Regulation S-B was removed and reserved by the SEC in 2007, but the text of the regulation is retained in FSLR for historical purposes.

Related Securities Laws and Regulations

The "Related Securities Laws and Regulations" division of the loose-leaf Volume 6 provides a convenient place for readers to find laws, regulations and explanatory material that do not fall neatly under the five main Acts that the Securities and Exchange Commission administers.

For example, the Gramm-Leach-Bliley Act of 1999, which Congress enacted to break down some of the Post-Depression Era walls between financial institutions, amended the Securities Act, Exchange Act, Investment Company Act, and Investment Advisers Act. However, it also enacted new stand-alone law sections. Readers can find these new law sections in the "Related Securities Laws and Regulations" division. The Sarbanes-Oxley Act of 2002 is also located in this division.

Rules of Practice

The “Rules of Practice” division gives the rules governing practice and procedure before the SEC. The rules are annotated with digests of SEC rulings and court decisions interpreting them.

Electronic Filings

The rules governing the electronic submission of documents filed with the SEC are contained in the “Regulation S-T” division.

No-Action and Interpretative Letters

Members of the public, attorneys, registrants and other persons may request the staff of the Securities and Exchange Commission to interpret the statutes administered by the SEC or to interpret the application of the statutes to a particular transaction contemplated by the inquirer. The staff’s responses to the requests are called no-action or interpretative letters. The response of the staff may indicate that it will not recommend that the Commission take any action with regard to the proposed transaction or that certain procedures must be followed regarding the transaction.

The FSLR Editors review all no-action and interpretative letters and include those of the greatest significance for subscribers. These are included in the “No-Action and Interpretative Letters” division in the Current Volume (historical Letters are removed from the loose-leaf volume on a periodic basis.) and as part of the current developments within FSLR Transfer Binders in internet version (back to 1993, with Daily Document Updates since 2005).

All of the no-action and interpretative letters in the public files of the SEC after 1977 are available as a separate subscription on the CCH Internet Research NetWork.

SEC Releases

All releases of the SEC involving notices of proposed, amended, and adopted rules are reproduced in the “SEC Releases-Other Materials” division in the Current Volume. Releases containing rulings and decisions of the Commission are published if the issue involved is significant or unique. FSLR also publishes selected enforcement action releases, as well as Commission studies and guidance (Frequently Asked Questions) on certain issues.

Court Decisions

Court decisions that interpret the federal securities laws or regulations are reported in full text in the “New Court Decisions” division in the loose-leaf Current Volume and in the internet Current Developments within the Transfer Binders, going back to 1993.

A Closer Look at the Compilations

Organization of the loose-leaf

The tab guide for each division indicates the topics and beginning paragraph number covered in that division. Following the guide card, a Table of Contents lists the contents of the division. Law section number, regulation number or topic

will lead you to the appropriate paragraph. The CCH symbol denotes a CCH Explanation. Immediately following the Table of Contents in each division is a “Correlator” or introduction, a CCH editorial feature that reviews the high points of the detailed compilation of law, regulations and interpretative releases contained in the division.

Turn to the tab guide in Volume 1 marked “§1001, Securities Act-Definitions.” Note that the guide card highlights the contents. Examine the Table of Contents, the Correlator, the law, the regulations, the CCH Explanations and the annotations, noting that they run in a logical sequence.

Correlators (Introductions) within the loose-leaf volumes

Each Compilation division is introduced by a Correlator or introduction that summarizes the subjects covered. They provide a convenient first approach to the detailed compilations of the law, regulations and interpretative authorities and assist subscribers in reviewing the main phases of each subject. The internet version does not include the Correlator.

Format

The individual “Compilations”—i.e. coordination of law, regulations, CCH Explanations and digests of decisions and rulings—utilize a distinctive typography and format for each component.

Each law section is reproduced in full and flagged in the left margin. Amendments are reported in the text, and a “Historical comment” indicates if an amendment has been made and the nature of the change. Sufficient detail is given in these comments so the pre-existing statutory language can be reconstructed if a subscriber wishes to do so. Law sections are always kept up-to-date. Amendments and changes are published promptly, and new pages are included in current Reports for insertion in the Compilations.

The text of the federal securities laws published in the Reports is in the form as enacted by Congress and published as Public Law. The federal securities laws are codified in Title 15 of the United States Code. Title 15 of the Code, as explained below, is *prima facie* evidence of the law as enacted by Congress. The United States Code is prepared and published by the Office of the Law Division Counsel of the U.S. House of Representatives pursuant to section 285b of Title 2 of the Code. The Code is a consolidation and codification by subject matter of the general and permanent laws of the United States.

Because many of the general and permanent laws that are required to be incorporated into the United States Code are inconsistent, redundant, and obsolete, the Office of the Law Revision Counsel of the House of Representatives has been engaged in a continuing comprehensive project authorized by law to revise and codify, for enactment into positive law, each title of the Code.

Positive law codification is the process of preparing and enacting, one title at a time, a revision and restatement of the general and permanent laws of the United States.

When this project is completed, all the titles of the Code will be legal evidence of the general and permanent laws and recourse to the numerous volumes of the United States Statutes at Large for this purpose will no longer be necessary.

Positive law codification bills prepared by the Office do not change the meaning or legal effect of a statute being revised and restated. Rather, the purpose is to remove ambiguities, contradictions, and other imperfections from the law.

Certain titles of the Code have been enacted into positive law, and pursuant to section 204 of Title 1 of the Code, the text of those titles is legal evidence of the law contained in those titles. The other titles, which include the securities laws in Title 15 of the Code, are *prima facie* evidence of the laws contained in those titles.

Amendment

When an amendment to existing law is not yet effective or involves a transition period, the text of the amendment is set off with boldface italic boundaries alongside the existing text. An arrow line preceding the existing text will alert readers that an amendment exists below. An arrow line preceding the amended text will note the effective date and the transition period, if any. Existing text and amended text will remain alongside each other for at least several weeks after the effective date or the end of the transition period, whichever is later. Existing text and amended text may remain alongside each other for several months longer if warranted.

End of Amendment

Regulations

This “catch-line” always introduces rules and regulations. The full text of all final and temporary rules follows the law sections they construe. In the loose-leaf, the rules are printed in larger type across the full width of the page.

The rules rank in importance immediately below the laws that they interpret. The SEC under each of the Acts issues rules comprising the federal securities laws. The SEC makes a distinction between individual sections of its regulatory material, which are designated as “Rules,” and groups of such rules, which are designated as “Regulations.”

The rules and regulations reproduced in the Compilations contain the official Code of Federal Regulations designations. To distinguish the rules and regulations from the law sections, they are identified by the abbreviation “Reg.” which is followed by the CFR section number. The SEC rules and regulations are codified in Title 17 of the Code of Federal Regulations and are cited as “17 CFR.”

New Forms and Rules

When the Commission announces a new form or rule that is not yet effective or involves a transition period, an arrow line precedes the new text alerting the reader that a new form or rule exists below. The arrow line will also note the effective transition period, if any, the adopting release, and CCH paragraph number where the adopting release and detailed transition information

is located. The arrow line will remain in place at least for several weeks after the effective date or the end of the transition period, whichever is later. The Internet Research NetWork features a link to the adopting release in the arrow line.

Proposed Amendments and Proposed New Forms and Rules

When the Commission announces a proposed form or rule amendment an arrow line precedes the affected text alerting readers to the proposing release and the CCH ¶ paragraph number where the text of the proposal is located, and the deadline for comments on the proposal.

When the Commission announces a proposed new form or rule, an arrow line precedes the title of the new form or rule alerting readers to the proposing release the CCH paragraph number where the text of the proposal is located. The Internet Research NetWork features a link to the proposing release in the arrow line.

Most rules, forms or amendments to rules or forms are first issued as proposals following which there is usually a waiting period for expression of public opinion. After the comment period expires, additional time may elapse—sometimes months or possibly years—before the adoption or amendment is issued in final form. Thus, proposed rules and proposed amendments play an important part in securities law work in that they indicate the trend of official thinking.

Arrow lines alerting readers to proposals remain in place until the proposal is adopted or it becomes stale.

Interpretative Releases

The SEC issues interpretative releases either to comment on the statutes and regulations or to make statements of policy. These are listed in the Code of Federal Regulations and are assigned Part Numbers. Certain interpretative releases are reproduced in the Compilations in full, with their CFR designators. Interpretative releases are issued under the SEC’s Accounting Regulation S-X, and under each of the Acts comprising the federal securities laws.

CCH Explanation

Within the loose-leaf product, these editorial comments are set in larger type with their own “catch-line” and are enclosed within boxes to distinguish them from official contents. CCH Explanations discuss SEC rules and interpretations as well rulings and court decisions and lead into the digests of decisions and rulings. Internet versions are not enclosed within a box and the CCH Explanation paragraph is identified as CCH-EXP, FSLR ¶. CCH Explanations on the Internet Research NetWork contain links to the paragraph numbers of the rules or issues discussed in the explanation.

Annotations by Topic

Digests of decisions, rulings, and no-action and interpretative letters, called “annotations,” are arranged under the law section and rules construed. The “catch-line” is centered while annotations are arranged in double-column format in loose-leaf.

In areas where the annotations are extensive, each loose-leaf grouping begins with an “Annotations by Topic” table so that specific individual points may be readily identified. Topical captions introduce the digests that complete each Compilation section. Each has its own decimal number so that it can be easily located from the topical index. The case name or ruling number, as well as the citation to the full text, is noted under each digest. Internet versions are readily accessed by the Smart Relate button labeled CCH Annotations and are listed in paragraph order. Annotations can also be accessed online by “menu-walking” through the different Act sections.

Numbering System

Each item in the Compilations has its own number for reference purposes. Whole numbers are used for Law sections and subsections, for Regulations, for Interpretative Releases, and for CCH Explanations. Subdivisions within CCH Explanations are assigned decimal numbers. Decimal numbers are also used for Historical Comments and Annotations. A decimal number combines with the immediately preceding whole number to provide the complete paragraph reference.

Loose-leaf example

Open Volume 1 to the Tab labeled §3001 *Securities Act Registration*. Items starting at that point will be used as a practical guide to the paragraph reference number system.

Law Section 5(b) is at §3101. Notice the decimal number “.001” used for the Historical Comment. Since decimal numbers always combine with the immediately preceding whole number, the complete reference for this comment is §3001.001. Regulations begin at §3120. Interpretative Releases start at §3150. The CCH Explanation of “When Prospectus Is Required” is designated §3235. Annotations that follow are all keyed back to this whole number.

Next, look at the listing of “Annotations by Topic” that follows the CCH Explanation. Here you see exemplified the prime advantage of decimal numbers: the numbering system is flexible. In the course of periodic revisions, new digests can be inserted as annotations in the proper location. For example, if it becomes necessary to insert a digest between .75 and .80, it can be numbered .77 without changing the other two references. The complete reference for this new annotation, of course, would be §3230.77.

Now look at the numbers at the top and bottom of the two facing pages. Page numbers appear at the top outside corners. The pertinent law section and subject are shown at the top of each odd numbered page. The title of the division as indicated on the guide card appears on the top of each even numbered page. The relevant law section or Code of Federal Regulations citation for rules or interpretative releases is printed at the bottom of each page. A paragraph number appears at the bottom outside corner of each page.

How to Locate Information

A Review of FSLR in Loose-leaf

- Volume 1 contains the Topical Index and the General Guide
- Volumes 1 through 6 compile the legislative, administrative and judicial aspects of the federal securities laws
- Volume 7 contains regulations and releases pertaining to Financial Reporting, Finding Lists, Release Lists, and the Case Table are also included in Volume 7
- The Current Volume houses no-action and interpretative letters, SEC rulings and court decisions

As a rule, federal securities research starts in the Compilations. Here you will find the texts of law sections and rules, both with all amendments to date, and CCH Explanations, plus the digests of applicable rulings and decisions. This, however, provides you with only part of your answer. You must check for new developments in the Current Volume to be sure that you have the latest information. This step of checking for new developments is often the most important step.

Researching a Question

FSLR is arranged for ease of use. If you wish to check a known section of a particular statute, each law is set off under a distinctive set of tab guides and a Table of Contents for each division will lead you to the paragraph number you wish to consult.

The contents, both basic and new matters, are indexed three ways—by subject or key word, by number, and by case name. Topical Indexes, Finding Lists and Case Tables provide the vehicles to locate information each of these ways. Which avenue of approach is most useful to you depends upon the clue or clues you know. New developments are coordinated with the basic contents by the Cumulative Index.

Topical Index

The Topical Index uses key word entries that pinpoint the location of precise rules on point. A detailed Topical Index begins on page 201 in the loose-leaf. It is also included under the blue bar entitled Finding Devices on the Internet. This Index consists of an alphabetical listing of specific topics covered in the volumes. The alphabetical entries lead to the paragraph (§) numbers at which the subject matter is discussed.

In many cases, reference to the Reports is made by subject through the Topical Index. While the Topical Index employs words and phrases in general use, familiarity with everyday securities parlance will help in locating information. Each item is indexed more than once, so that you may look up any of the key words to a particular point and find your reference. However, it is important that you consider the various elements involved in the question you are researching. More than one topic may be involved, so that more than one entry in the Index should be consulted.

The Topical Index will guide you to one or more entries in the Compilation sections. To complete your research, you

should then check the Cumulative Index to locate any new developments on point.

Cumulative Index (available in loose-leaf only)

The Cumulative Index at the beginning of the Current Volume provides a bridge between the Compilations and current developments. Reference is by paragraph number, from a paragraph in the Compilations to a related new matter paragraph. This method - from Compilation paragraph, via the Cumulative Index, to new matter paragraph - is the principal method for locating new developments. The Cumulative Index coordinates new developments with the basic Compilations by using the same paragraph numbers. These numbers appear at the left in Cumulative Index entry, followed by a brief summary of what the new development is and another paragraph reference to the place where the new development is reported.

Always check the Cumulative Index in completing research on a point. If the paragraph number in which you are interested does not appear there, no new developments affecting the information in the Compilation have occurred.

Subscribers to the internet version of FSLR have the Smart Relate buttons to access the last six months of current developments. Alternatively, internet users can view the prior menu topic listing to view all Current Developments relating to particular section. This feature mirrors the Cumulative Index for loose-leaf subscribers.

listed in the "Case Table-New Developments" division in the Current Volume. Subscribers to the internet version of FSLR have the Find by Citation template to retrieve cases and rulings as well as ability to search for key words in case name.

Release Lists (loose-leaf only)

The SEC Releases reproduced or annotated in the Reports are listed in the "Release Lists" division in Volume 7, beginning at page 68,001. Interpretative releases are also included in the release lists, in addition to being separately listed in the Finding Lists. Subscribers to the internet version of FSLR have the "Find by Citation" template to retrieve cases and rulings by Release number as well as the ability to search for key words.

The SEC publishes in separate releases the texts of its rulings, notices of proposed, amended and adopted rules, interpretations of the statutory and regulatory requirements, statements of policy, enforcement decisions, and other notices and announcements. Separate series of releases are issued under each of the five federal securities laws. The Commission also issues Financial Reporting Releases and Accounting & Auditing Enforcement Releases that are reported in separate divisions in Volume 7. Selected current releases of the Commission are reported in the "SEC Releases-Other Materials" division in the Current Volume. Interpretative releases and statements of policy are published in the Compilations and the "SEC Releases-Other Materials" division in the Current Volume.

Securities - Federal Securities - Reporters and Primary Material - Federal Securities Law Reporter - laws, rules, forms, interpretations, explanations and other materials, organized by Act - Securities Act of 1933 - Securities Act of 1933 - **Exempted Securities --Sec. 3 -**

SEC-LAW, FSLR ¶2001, 1933 Securities Act Sec. 3(a), [15 USC 77c(a)] [Securities Exempted by Act]

Laws & Regulations

CCH Explanations

CCH Annotations

Securities Regulation - Loss, Seligman & Paredes

Current Developments

Finding Lists (loose-leaf only)

Many kinds of documents and materials have numbers by agencies or governmental bodies. Sections of the various Acts are designated by numbers, as are regulations and releases of the SEC. If you have a citation by number to a particular statute or regulation, the place to look is in the "Finding Lists" division in Volume 7. Numbers are lined up in order, with paragraph references to the Compilations where the particular statute or regulation is reproduced. Internet users can retrieve specific documents by using "Find by Citation" and entering citation reference in the proper template.

Case Table (loose-leaf only)

When you have the name of a court decision, SEC ruling or no-action and interpretative letter and wish to locate full information about its holding, consult the Case Table in Volume 7. The Case Table lists decisions, rulings and no-action and interpretative letters which are cited or annotated in the first six volumes. Current cases and decisions, which are published in the "No-Action and Interpretative Letters," "SEC Releases-Other Materials" and "New Court Decisions" divisions are

The releases are identified by the Act under which they are issued. For example, Release No. 4701 issued under the Securities Act is identified as Securities Act Release No. 4701. The Commission also uses an abbreviated system of identifying the releases in which the name of the Act is omitted and the number of the release is preceded by a distinctive prefix. The releases are generally cited in the Reports with the following system of identification:

- Securities Act-Release No. 33-
- Exchange Act-Release No. 34-
- Holding Company Act-Release No. 35-
- Trust Indenture Act-Release No. 39- or Release No. TI-
- Investment Company Act-Release No. 40- or Release No. IC-
- Investment Advisers Act-Release No. IA-

SEC Docket: All of the releases of the SEC are reproduced on the CCH Internet Research NetWork and are available either as a separate subscription or as part of a library. They are categorized as follows:

- Daily Document Update, which is a part of the internet subscription to CCH Federal Securities Law Reporter, contains all the Releases since 2004

- Releases reported in the SEC Docket publication. CCH began publishing all SEC Releases in print in 1972
- Selected Releases reported in Federal Securities Law Reporter from 1940 to 1972 are available as separate internet subscription

Locating New Matters directly in the loose-leaf

The Current Volume contains the indexes and case tables for new developments. The Case Table and Tables of No-Action & Interpretative Letters in the “Case Table-New Developments” division list new cases and no-action and interpretative letters by name.

A Topical Index to New Developments is arranged by the same key words as the main Index, if you want to locate new developments reported in the Current Volume by key word.

Each new matter refers you back to the Compilation divisions so that you can review the full range of information on the same subject and, through the Cumulative Index, locate any other new developments on the same issue.

Decisions, Rulings and No-Action Letters (NAL)

Court decisions, SEC rulings, and no-action and interpretative letters published in Reports since 1941 are cited and annotated throughout the first six volumes of the Reporter. They are also listed in the Case Table in Volume 7. *Reported Cases, selected NALs and selected Releases since 1993 are available on the CCH Internet Research NetWork.* Subscribers to the internet version of FSLR have the Find by Citation template to retrieve cases and rulings as well as keyword search.

Registration of Securities

Form S-1 is the general form for the registration of securities under the Securities Act of 1933. A helpful feature of Volume 2 is the division “How to Answer Form S-1.” This extended illustration of how to do it contains a complete editorial explanation of the information required.

United States Supreme Court (loose-leaf)

A United States Supreme Court Docket table is included in the “Case Table-New Developments” division in the Current Volume. This table shows cases pending before the Court in addition to those disposed of by the court during the current term. Subscribers to the internet version of FSLR have the Find by Citation template to retrieve cases and rulings as well as searching.

How to Cite the Reports

To cite FSLR, just combine the letters “CCH” with the name of the Reporter and the paragraph number. For example, the material at ¶2130 may be cited “CCH FEDERAL SECURITIES LAW REPORTER, ¶ 2130.”

Updating Schedule:

Compilations:

1. Print and Internet compilations are updated on a weekly basis.
2. CD-ROM disks are updated/issued on a monthly basis

Report Letter:

1. Print subscribers receive the report letter in the weekly update envelope
2. Internet subscribers receive the report letter in print on a weekly basis and it is also added to the Current Developments section on Securities tab on the internet Research Network
3. Cd-Rom subscribers receive the report letter in print on a weekly basis and it is also added to the CD.

Daily Updates:

1. SEC Docket latest Releases
2. SEC No-Action Letters

Note: CCH Internet Research NetWork users can also subscribe to Securities Compliance Tracker allowing daily Tracker News searches for Tracker News Spotlight, S.E.C. and Exchanges.

Research Example:

There are three ways to search in FSLR:

1. Name: you have the name of a document, release, or case. For example, you are looking for the Sarbanes-Oxley law provisions.
2. Number: you have the number of a document or ¶number; for example Securities Act Section 5(a) or CCH ¶3001.
3. Topic: you are looking for information regarding the information to be included in a prospectus.

Name Search:

You are trying to locate a No-Action Letter for General Motors and you know that it is from the year 2000.

Print Research Steps	Internet Research Steps
Volume 8 and go to the No-Action table for 2000 on page 73,291 under the "Case Table New Developments" division, which is alphabetical and designates the paragraph numbers in the 2000 Transfer Binder for the applicable letters. There are three No-Action letters that begin with "General Motors."	Place a checkmark in the Federal Securities Law Reporter menu line Type <u>General Motors in heading</u> as the search expression. Click on Search Tools and select Boolean Connectors as your search method, scroll down and click Search by Date and choose ON 2000 and click OK. Click Search.
	Subscribers to the internet version will retrieve the 3 that exist in FSLR under the menu line Note: subscribers to the complete SEC No-Action Letters publication can also target that title in search.

Number Search:

You have been given an SEC Release 7241, but you have not been told which Act.

Print Research Steps	Internet Research Steps
Volume 7 and go to the Release List. Without knowing which Act the Release is associated with, you will need to check each of the Release lists to locate all Releases that are #7241.	Place a checkmark in the main FSLR menu line and Type <u>!7241 in heading</u> and search using Search Method = Boolean Connectors. 3 Results are retrieved, each containing 7241 in their title.

Topic Search: The issue to be researched is what legend(s) should be included in an offering circular. You have not been given any law, regulation, case or ruling citation or number; therefore, you are conducting a Topic search.

Print Research Steps	Internet Research Steps
Topical Index in Volume: Search entries for offering circular	Select Federal Security Law Reporter and search using the Boolean expression: <u>offering circular w/par legend</u> In "Search Tools," turn Relevance off
Volume 1 ¶2361-2363 is cited for exemptions. This is regulation §230.253 (d) which provides the text of the Legend for the cover page	The system returns 100 documents and the second document in the list is ¶2361 Regulation 230.253

Document Types with the Securities Publications

Abbreviation	Description
CCH-ANNO	CCH Editorial Annotations provide brief digest of related Laws, Regulations, Cases, Rulings, etc., including references to archival material. <i>Note: if your subscription does not include archival material, these links will not work</i>
CCH-EXP	CCH Editorial Explanations provide concise introduction and overview of a topic, often with links to additional explanations and/or significant primary source material
COMMENT-LETTER-ISSUER	S.E.C. Comment Letter (Issuer Response)

Abbreviation	Description
COMMENT-LETTER-STAFF	S.E.C. Comment Letter (Staff Letter)
FINANCIAL-REL	Financial Release
FORM	Text view of a form.
MISC-CT	Miscellaneous Courts
MISC-DOC	Miscellaneous Document: includes agency publications, reports, executive summaries, notices, congressional testimony, etc.
NEWS-DIGEST	S.E.C. News Digest
NEWSLETTER	Items from newsletters, such as: WSB SEC Today Online, PCAOB Reporter Online, Aspen Insights, etc.
NO-ACT	SEC No-Action Letter
REPORT-LETTER	Report Letters provide weekly updates with CCH Editorial summaries of significant developments and links to full-text documents
RUL-REL	Rule adoptions
RUL-REL-PROP	Rule proposals
SCT-DKT	Supreme Court Docket
SEC-DEC	SEC Decisions
SEC-LAW	Actual text of the law, often with historical comment at bottom
SEC-REG	Federal Securities Regulations, often includes historical comment
SEC-RUL	Federal Securities Rulings
SPEECH	Full-text of a presentation by agency official
SRO-REL	Self-Regulatory Organization Release
STATE-LAW	Full-text of Blue Sky State Law
STATE-REG	Full-text of Blue Sky State Regulation
TOP-INDX	Topical Index documents provide alphabetical listing of subject topics with links to documents within CCH publication
TREATISE	Document from analytical treatise, e.g., <i>Securities Regulation, by Loss, Seligman & Paredes</i> , published by Aspen Publishers
US-CT-APP-#	U.S. Court of Appeals with circuit court number
US-DIST-CT	U.S. District Court
US-SUP-CT	U.S. Supreme Court

Dating of documents on the Internet Research Network

Document	Dates	Included in this subscription
Cases	1941—1993	SEC Cases archive subscription
Cases	1994 to present	FSLR
SEC No-Action Letters	1971—1977 selected	SEC No-Action Letters
SEC No-Action Letters	1978 to Current	SEC No-Action Letters
SEC No-Action Letters	Daily Document Update	FSLR SEC No-Action Letters
SEC Releases and Other Materials	FSLR Selected Releases (1940-72). These are rulemaking releases	FSLR SEC Docket subscription
SEC Releases and Other Materials	1973--2004	FSLR (rulemaking releases) SEC Docket subscription
SEC Releases and Other Materials	2004--current	SEC Docket subscription Rulemaking only releases are included in FSLR
SEC Releases and Other Materials	Daily Document Update	SEC Docket subscription Rulemaking only releases are included in FSLR
SEC Staff Comment Letters	2005 to current	SEC Staff Comment Letters subscription

Topic Navigator™

Topic Navigator is a topically-organized map of federal securities information. Painstakingly mapped by our securities law experts, *Topic Navigator* lets you research issues in context and find the most relevant information. This powerful tool enables topical searching or browsing across multiple publications for relevant, targeted results.

Designed to complement existing search methods (e.g., keyword and citation searching), *Topic Navigator* provides a topic-based pathway into our content—no need to know which publications or documents to target. For example, you may have only an issue, transaction or entity as a starting point for your research. With nothing more, you can quickly pinpoint the relevant laws, regulations, forms and analysis.

You have two ways to find information:

Browse—Scroll through the topics list, then drill down to the desired sub-topic item and accompanying document list.

Keyword Search—Enter a key word in the Search Topics field, click on the desired topics in the results list and click Search Topics. Divided into broad categories, the Topics List allows searching by subject matter, transaction, filing type, entity and/or authority.

SmartRelate™

SmartRelate is another tool for finding related securities law information on point. Once you are at the document level, *SmartRelate* automatically displays related documents in the Reporter.

SmartRelate provides links to the following types of documents:

- Laws
- Regulations
- CCH explanations
- CCH annotations (summaries of cases and no-action letters)
- Current developments (no-action letters, releases and cases) within the last six months
- Selected Treatise and Journal entries

For assistance and support go to: support.cch.com.