

1.1.1 Securities Act of 1933

The securities act of 1933 has two main objectives:

- require that investors receive financial and other significant information concerning securities being offered for public sale; and
- prohibit deceit, misrepresentations, and other fraud in the sale of securities.

1.1.1.1 *Registration of Securities*

The SEC requires public companies to disclose important financial information through the registration of securities. This information gives investors, not the government, relevant information about whether to purchase a company's securities.

1.1.1.2 *Registration Process*

Generally, securities sold in the United States must be registered through the SEC. The registration form calls for:

- a description of the company's properties and business.
- a description of the security to be offered for sale.
- information about the management of the company; and
- financial statements certified by independent accountants.

1.1.1.3 *Exemptions to Registration*

Not all securities must be registered through the SEC. Some examples are as follows:

- private offerings to a limited number of persons or institutions.
- offerings of limited size.
- intrastate offerings; and
- securities of municipal, state, and federal governments.