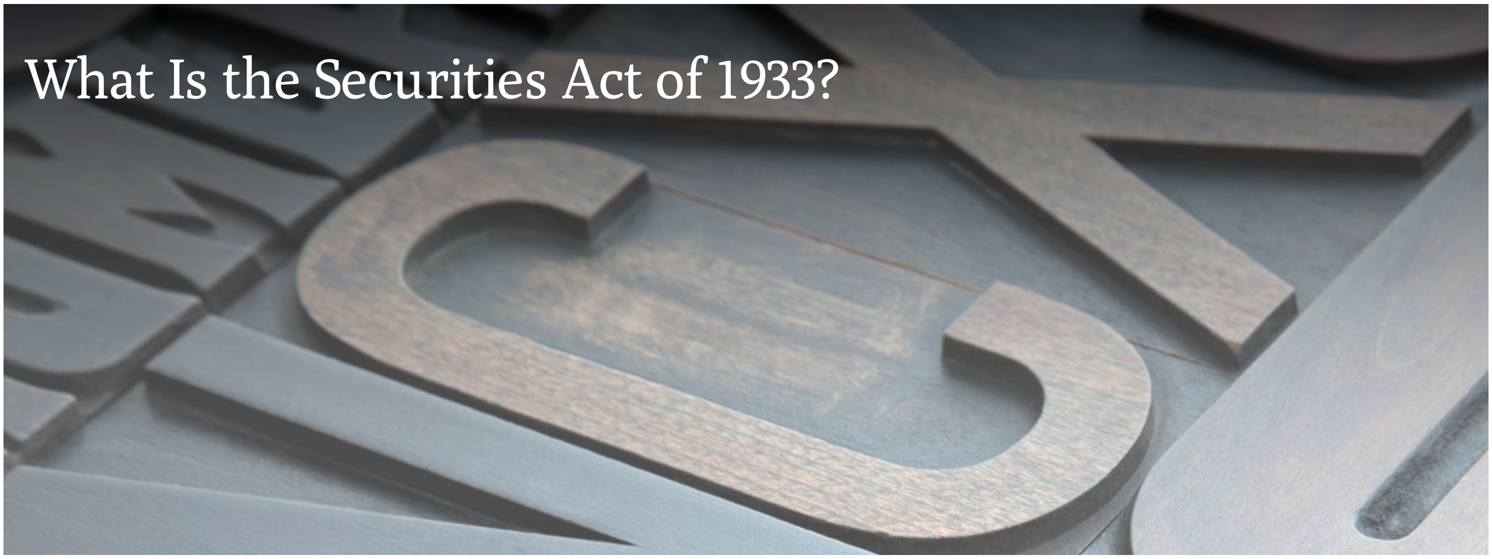
What Is the Securities Act of 1933?



Securities Act of 1933

The **Securities Act of 1933** (as amended, the “Securities Act”) was passed to ensure that investors have financial and other important information about securities that are being sold publicly. It also bans the use of fraud, deceit, and misrepresentation in the sales of securities. The Securities Act, which is also referred to as the “truth in securities” law, is part of a legislative effort to govern and oversee the securities industry.

What Are the Securities Act of 1933 Rules?

The **rules of the Securities Act of 1933** (as amended, the “Securities Act”) require the disclosure of information through securities registration. Registration forms filed by companies provide important information about the company and the securities being offered, including management details, financial statements and descriptions of the company and the security for sale. Not all securities must be registered. For example, certain private offerings are exempt from the registration rules of the Securities Act. Investors can use registration information to make purchasing decisions. Though the information’s accuracy is not guaranteed, investors do have recovery rights if they suffer losses related to buying securities that had incomplete or inaccurate disclosure of material information.

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