

EDGAR and Beyond

by Anna Varnavas and Steven Lastres

In February 1997, two librarians of the firm Arnold & Porter LLP—Steven Lastres (Manager, New York Library) and Anna Varnavas (D.C. Reference Librarian)—studied the various providers of SEC information to ensure that their libraries were offering the firm the most comprehensive cost-effective service. Their evaluation process and conclusions were presented at the 1998 AALL Annual Meeting in Anaheim, California (Program G-6, "Securities Filings: Who, What, When, Where?," moderated and coordinated by Carol Bannen of Reinhart Boerner et al.). For our members who were unable to attend, but will undoubtedly benefit from their experiences, a summary of the presentation and handout is reprinted here.

When information on a public company is required, the best resource is the Securities and Exchange Commission (SEC). Beginning in 1934, the SEC required all public companies to disclose detailed aspects of their businesses. These details, made available through regular filings, become public information. These filings hold a wealth of information—such as executive compensation, growth strategies, legal proceedings, market share, and competitive analyses. As any seasoned researcher will attest, the information contained in these filings is very useful to a law firm in marketing, client development, transactional work, and more. You can:

- See what a similarly situated company as your client disclosed in its filings.
- See who the big players are in widget manufacturing in New York.
- Find Amoco's leading outside counsel.
- Find a company's competitors, subsidiaries, shareholders.

All this and so much more is public information.

In the past, SEC filings were made on paper. Multiple copies of a company's forms such as annual 10Ks or quarterly 10Qs were submitted manually, reduced to microfilm, and archived. In 1986, the SEC began to experiment with electronic filing requirements. In 1992 a phase-in began and by May 1996 all public companies were required to submit their regular filings (there are a few exceptions to this rule) through the Electronic Data Gathering And Retrieving (EDGAR) database of the SEC.

Having been submitted electronically, a company's data could be retrieved electronically. And so the birth of EDGAR has made corporate information readily available. Seemingly overnight, a dozen competing vendors appeared; sources for EDGAR filings abound. However, on close inspection, are all the sources equal?

- Has the Internet kept its promise of quick, easy, and cheap access to EDGAR filings?
- Are the added values of specialized vendors really worth the cost?
- Is real-time really real time?
- What about pre-1996 filings?

These questions, and many more, needed answering.

With the clear objective being to offer the most comprehensive, cost-effective service to our firm, we began our ambitious and time-consuming mission: to compare SEC information providers in hopes of recommending a single source—a one-stop-shopping

service—for SEC information. We wanted to conclude that one source would outshine all others.

In some cases, we found we were comparing apples to oranges. How could we compare the virtual data dump of the SEC's own home page to the full-text, word-searchable, indexed files of LEXIS? We addressed this by grouping the sources into like-kind and created three categories: Legal Database Providers (LEXIS and WESTLAW), cost-based Internet EDGAR Providers (Global Access, LivEdgar and SECNet) and Free EDGAR Internet Providers (SEC and Freedgar).

With these categories established, we could proceed to compare essential elements and added values of each of the sources. After much discussion we agreed upon ten aspects which would most impact our law firm's needs: user orientation, document retrieval, desktop access, continuous monitoring, printing/downloading options, content, currency, billing interface, user support/training, and costs. We devised a checklist of these ten aspects which we hope you find useful. It is reprinted here for your convenience.

Checklist

Company: _____

Date: _____

Discussion Points:

1. Research—library/attorneys/others
2. Document retrieval—EDGAR/non&pre-EDGAR
3. Attorney desktop access
4. Monitoring/Watches for new filings
5. Printing/Delivery methods—FedEx, Fax, Internet, Modem
6. Content
7. Current?
8. Billing/Administration of charges
9. Instruction/User
10. Pricing

Whenever possible, each vendor was invited to our library to demonstrate its service. Our intention in doing so was to experience each service in its most favorable light. However, the opposite result was often achieved due to incompatible equipment. To avoid this frustration, we advise all vendors to bring a laptop backup and not rely on a library's compatibility.

Finally, we reviewed our results and compiled our data into a consumer-report type chart titled *Securities Filings: Who What When & Where*. It is reprinted on pages 24–25 for your convenience.

Our conclusion was—and still is—that no single service provides all the features needed to address every request for SEC information. Some combination of Internet, online, and pre-EDGAR services is recommended. The choice of which service to use depends upon each specific request and the honed skills of the professional legal researcher.

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Securities Filings: Who

Internet EDGAR Providers

	Global Access (Disclosure) 5161 River Road, Bethesda, MD 20816 800-754-9690 www.disclosure.com/dga	LIVEDGAR (Global Securities) 419 Seventh St., N.W., Suite 202 Washington, D.C. 20004 800-669-1155 www.gsonline.com	SECnet (Washington Service Bureau) 655 15th St., N.W., Suite 275 Washington, D.C. 20005 800-955-5217 www.wsb.com/secnet	LEXIS
Coverage	All EDGAR filings Non-EDGAR Index—U.S. and Intl.	All EDGAR filings Non-EDGAR per company Index 1965 to present	All EDGAR filings Non-EDGAR Index	Library/FEDSEC or COMPNY group files: SEC, EDGAR, SECOL, FILES Each file differs in content & coverage
Start Date	EDGAR-4/93 non-EDGAR Index 1968	4/93	7/92 Non-EDGAR index 1968	EDGAR 4/93 Non-EDGAR 1985
Updated	Real time	Real time	Real time (24 hr. delay on non-EDGAR)	Daily (24 hr. lag time)
Monitors	Yes	Yes	Yes	Yes
E-Mail Alerts	Yes	Yes	Yes	Yes
Mandatory Billing Reference	Yes Customizable	Yes Customizable	Yes Customizable	Yes
Support WP Software	Yes	Yes	Yes	No
Spreadsheet-Ready Financials	Yes	Yes	Available upon request	No
Access: Online or Internet	Internet, dial-up and dedicated line	Internet and online	Internet	Both
Customer Support	8a.m.—8p.m.	8a.m.—8p.m.	8a.m.—8p.m.	24 hrs. 800-543-6862
Full-Text Searching (across all EDGAR docs)	Yes	Yes	Yes	Yes
Training	Yes Onsite, phone	Yes Onsite, phone	Yes Onsite, phone	Yes
Special Features	Scanned images of annual reports and U.S. company filings, ability to order non-Edgar docs online at a discount	Many added-value features, preformatted searches, indexed exhibits and filings, precision printing	SEC Today, topical registration database, Significant SEC Filings Reporter, SEC no-action letters (1971—present), ability to order non-EDGAR docs online at a discount	Extensive segment searching options, many full-text non-EDGAR filings
Pricing	1) Pay as you go or flat fee contract 2) Filing searches: Free 3) Full-text searching: \$15 4) Documents: \$12 flat fee to print or download 5) Watches/E-mail notification: free	\$10 to begin a session plus \$1 per minute.	1) Pay as you go or flat fee. 2) Filings index: \$5/search 3) Preview mode: \$1 4) Sample research databases: \$15 5) Documents: \$10 flat fee to print or download (no online costs) 6) Watches: \$5/each, email notification	Depends on your contract terms. Generally costs are: \$26 per search request \$42 per print command
Comments (Based on personal experience by Anna Varnavas and Steve Lastres.)	Pay-as-you-go system Connection is extremely slow Comprehensive research tool Extensive document retrieval centers throughout U.S.	Pay-as-you-go system Supports any number of users Very easy to use An excellent research tool Great customer support	Pay-as-you-go system Simple search engine Fast Internet access Excellent research dept.	A good full-text research tool. If transactional billing is used, LEXIS is a good source to view and browse multiple documents.

What When & Where

Legal Database Providers

Free EDGAR Internet Providers

WESTLAW SECnow (Dow Jones)	WESTLAW EDGAR (Disclosure, Inc.)	WESTLAW SEC-ONLINE (SEC Online Inc.)	FREEEDGAR www.freeedgar.com	SEC EDGAR www.sec.gov
Selected coverage of EDGAR filings (10Ks and 10Qs only)	Selected EDGAR filings Non-EDGAR Index	Selected EDGAR and SEC filings (10Ks, 10Qs, 20Fs and proxy statements) Company resumes	All EDGAR filings	All EDGAR filings
1/2/96	4/93 Non-EDGAR 1968 (index only)	7/87	4/94	4/94
60 minute delay	Daily (several weeks' lag time)	Weekly	Real time	24 to 48 hour delay of posting
Yes	Yes	Yes	Yes	No
Yes	Yes	Yes	Yes	No
Yes	Yes	Yes	No	No
No	No	No	Yes	Yes
No	No	No	No	No
Both	Both	Both	Internet	Internet
24 hrs. 800-Westlaw	24 hrs. 800-Westlaw	24 hrs. 800-Westlaw	No	(202) 942-8900
Yes	Yes	Yes	No	No
Yes	Yes	Yes	No	No
Full-text filings contain table of contents, hypertext links	Full-text filings contain table of contents, hypertext links	Full-text filings contain table of contents, hypertext links	Separate exhibits Search by name, SIC, or ticker	Quick forms look-ups
Depends on your contract terms. Generally costs are: \$35-\$43 per search request \$25 per print command	Depends on your contract terms. Generally costs are: \$35-\$43 per search request \$25 per print command	Depends on your contract terms. Generally costs are: \$35-\$43 per search request \$25 per print command	Free	Free
Closest EDGAR database to real-time filings in a legal database.	Most comprehensive SEC database on WESTLAW.	Most useful for non-EDGAR research.	Easy to use Free Exhibits are indexed and listed separately Nice company profiles	A very basic site for EDGAR document retrieval Selected form types choose "all"