Tips for using EDGAR to research companies.

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Gathering Analysis and Retrieval (SAR) information is a fast-paced, constantly changing world, and many of the best business news services require expensive subscriptions. Fortunately, there is a database of corporate information that is authoritative, constantly updated, and 100% free. EDGAR (the Electronic Data Gathering, Analysis, and Retrieval system) is the electronic tool that the Securities and Exchange Commission (SEC) uses to collect, index, and publish corporate filings. The U.S. securities laws protect investors by requiring companies selling securities to the public to disclose detailed information about their finances and operations, and EDGAR brings those disclosures into the electronic age.
EDGAR includes a full-text search function, which can be useful for looking up filings that mention particular executives, assets, or projects. To really use the system effectively, however, you need to know what the major filing types are so that you can identify those most likely to contain the information you’re looking for.

**Annual and Quarterly Financial Reports**

A 10-K is an annual report that must be filed within 60 to 90 days of the end of the filer’s fiscal year, depending on what type of company the filer is. 10-Ks include audited financial statements, as well as a description of the company’s business, a listing of the risks that it faces, a listing of significant legal proceedings involving the company, information regarding corporate governance and executive compensation, and more. If you want to generally become more familiar with a particular company, reading its most recent 10-K is a great way to start. Furthermore, if you’re looking for corporate documents like certificates of incorporation or bylaws, check the 10-Ks Index of Exhibits, which will help you identify the operative versions of these documents to determine when they were filed on EDGAR. Similarly, 20-Fs are annual reports filed by foreign companies that have issued securities within the U.S.

In addition to 10-Ks, publicly traded corporations usually produce annual reports for their shareholders. These tend to include lots of glossy photos and encouraging words from management. Don’t confuse annual shareholder reports with annual reports filed on Form 10-K—shareholder reports do not necessarily include all of the information that must be reported in a 10-K.

A 10-Q form is a quarterly financial report. If the most recent 10-K is not current enough for your needs, check the latest 10-Q. However, 10-Qs don’t include all of the information that must be published in a 10-K.

**Recent Developments**

An 8-K is a report that discloses recent developments. Some examples of news that a company might report on an 8-K include preliminary earnings announcements, personnel changes in the executive suite or boardroom, important deals, investigations, the results of clinical trials, or anything else significant to the business. Press releases or copies of transactional documents may be attached to 8-Ks as exhibits. If you’re researching a particular corporate event, check the 8-Ks that the company filed on or around the date that the news came out. 6-Ks are the counterpart to 8-Ks, and they are filed by foreign companies that have issued securities in the U.S.

**Proxy Statements**

Publicly traded companies must comply with SEC proxy rules when they seek shareholder votes on matters such as mergers and acquisitions, the amendment of corporate bylaws, or the elections of corporate boards. If you are looking for information on any of these topics, check to see if the corporation has issued one or more proxy statements. Proxies disclose the stock holdings of directors and executive management, and the identities of persons who own 5 percent or more of a corporation’s stock—these are useful for identifying a company’s major stockholders. The forms used for proxy materials include PRE 14A (preliminary proxy materials), PREM 14A (preliminary proxy materials related to mergers or acquisitions), DEF 14A (definitive proxy materials), and DEFM 14A (definitive proxy materials relating to mergers or acquisitions).

Companies making a public offering of securities generally must file a registration statement and prospectus with the SEC. These documents describe the company’s properties and business, the security to be offered for sale, information about management, and financial statements certified by independent accountants. There are a
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number of different registration forms for different types of businesses and offerings, but some of the major ones include S-1 (the default form used by new issuers), S-3 (a ‘shelf’ registration form used by companies that have already registered a class of securities and whom wish to make subsequent offerings), F-1 (a form used by foreign issuers), and F-6 (a form used in offerings of American depositary receipts). If you are interested in learning about a company’s initial public offering (IPO) or a particular offering of securities, check its registration statements.

Insider Trading
The SEC uses several forms to track stock holdings and sales by corporate insiders. Form 3 is the initial filing form, which corporate insiders must file at the time of registration. Form 4 reports insider purchases and sales of securities (which must be reported to the SEC within two business days), and Form 5 reports transactions that either should have been reported earlier on Form 4, or were eligible for deferred reporting. Not all corporate insiders are required to file these forms—only officers, directors, and beneficial owners of more than 10 percent of a class of equity securities are liable. If you’re looking to learn more about who owns a corporation, it would be more efficient to start with the most recent proxy statement or 10-K, which present holdings information in an easier-to-read format. However, if you’re taking a deep dive into insider trading (for example, to see if the CEO has been selling off holdings of his own company’s stock), then these forms provide the most current and detailed data. By default, EDGAR’s search excludes Forms 3, 4, and 5 to keep from cluttering up the search results; therefore, if you’re looking for these forms, be sure to click the “Ownership Include” button to include them in your search, or just click the “Get insider transactions for this issuer” link at the top of the screen.

EDGAR: Limitations
EDGAR does have some limitations that searchers should be aware of. Companies were phased into EDGAR filing over a three-year period ending in 1996, and earlier filings may not be available. As such, full-text searching is limited to filings from within the past four years. EDGAR does not provide notice if a filing was subsequently amended or withdrawn. Most significantly, EDGAR is limited to companies that are either (1) listed on a securities exchange, or (2) have more than $10 million in assets and more than 500 stockholders, and are therefore subject to the registration and disclosure requirements of the federal securities laws. Most of the largest companies in the U.S. are publicly traded, but there are many major firms that are privately held, including agribusiness giant Cargill, the Mars confectionary company, and the energy conglomerate Koch Industries. Startups that have not yet completed an initial public offering may also not be required to file on EDGAR. Other limitations of the system can be found at bit.ly/JA17EDGAR.

Using EDGAR can be intimidating at first, since large or complex companies may have an overwhelming array of disclosures available, but with practice and patience, you can get to know EDGAR well and make it work for you and your needs.