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Never before in American financial history, with the possible exception of the late 1920's and early 1930's, have attorneys, businessmen and the general public been so conscious of securities matters. Even those attorneys who have only occasional contact with corporate finance are now acutely aware of the existence of securities legislation and the federal and state regulatory bodies which administer that legislation. It is only natural, then, that Professor Loss' new and enlarged edition of Securities Regulation is being well received.

The physical makeup of the three volumes leaves something to be desired. The first edition of Securities Regulation, published in 1951, was a one-volume treatise with roughly half as many pages as the present three-volume set. That first edition contained a place for insertion of pocket parts, but none ever appeared. Instead, a hard-cover "supplement" was published in 1955; then nothing until the appearance of the present edition. The point is that securities regulation, like taxation, is a field of law in a state of constant change. The new edition, like its predecessor, contains a place for pocket parts. It is hoped that pocket parts will actually be published as periodic additions to this edition. But this writer's firm opinion is that a work of this kind, in order best to serve the purpose of keeping abreast of the almost innumerable developments in securities regulation, should be published in loose-leaf form. Appropriate page insertions rather than supplements or pocket parts would constitute a welcome innovation.

Professor Loss has approached his subject with characteristic thoroughness. Volume I contains a detailed treatment of the background of federal and state securities regulation, federal regulation of the distribution of securities, and coverage of the Securities Act of 1933. Volume II deals with the Trust Indenture Act of 1939, the Securities Exchange Act of 1934 (from disclosure and regulation standpoints), the Investment Adviser's Act of 1940, and the Securities and Exchange Commission's functions under chapter X of the Bankruptcy Act. Volume III is concerned with fraud

3. 15 U.S.C. §§ 77b-c, i, k, m, o, s, 78a-jj (1958).
under the various federal securities acts, manipulation, civil and criminal liabilities, and administrative law and procedure under those acts. Wisely, as in the first edition, the author does not present an act-by-act, section-by-section treatment of the subject. Rather, his integrated treatment of the entire body of securities legislation makes for both greater clarity and readability. More than that, his use of plain and yet colorful language in dealing with so highly complex and specialized topics is indeed a tribute to his ability as a writer.

This writer has had occasion to discuss the merits of *Securities Regulation* with numerous corporate and securities attorneys. While these members of the legal profession are quick to praise Professor Loss' scholarship and painstaking attention to detail, they are equally quick to express their disappointment over his lack of attention to matters which are their everyday concern. By way of illustration, they observe that, from their viewpoint, a really useful work of this kind should contain advice and comment on such matters as the actual technique of preparing and processing a registration statement with federal and state securities commissions. In short, these attorneys are interested in securities regulation from the standpoint of statutes, rules and regulations and their interpretation — topics adequately covered by Professor Loss. But they are a great deal more interested in the practical business of being instructed and advised on what to do, how to do it and when to do it. This disappointment is understandable, especially when voiced by the many attorneys who have had limited experience with securities matters. One of their clients wants to go public. They find that *Securities Regulation* is of little or no help to them in this respect. But one wonders whether this constitutes valid criticism in view of one of the author's manifest objectives of providing a "teaching tool."

Attorneys in the securities field will find the author's analysis and discussion of SEC rules and regulations of special interest. Needless to say, it is not the draftsmen of the various federal securities acts who have written the law; it is the members of the staff of the SEC who have done so through issuance of interpretative rules, regulations and releases. Frequently, businessmen and even securities specialists are at a complete loss when they attempt to interpret these "interpretations." Section 4(2) of the Securities Act of 1933 and rule 154T promulgated under that act are cardinal examples. This statutory section and its interpretative rule deal with regulation of sales through a broker by a controlling person. Of late it has become common practice for attorneys to advise clients who are controlling persons owning unlisted securities that they may sell such securities every six months,

without registration, as long as the total amount sold in each six-month period does not exceed one per cent of all the securities of that class which are outstanding. It is highly probable that Section 4(2) and Rule 154 were not intended to sanction such sales every six months under the so-called one per cent formula. But the plain truth of the matter is that securities attorneys are so confused by the governing language of the act and rule that no other path seems open. Furthermore, they are unable to obtain a straight answer on what the language does mean. This state of affairs confronting businessmen and securities attorneys is inexcusable. Professor Loss does not hesitate to criticize this ineptness. Of section 4(2) and rule 154 he remarks in an understatement: "Section 4(2) is not a model of clarity... This is a very fuzzy area."8 The author presents searching examinations of numerous other rules, regulations and releases which have spawned "fuzzy areas."

Professor Loss, in his second edition of *Securities Regulation*, has made a landmark contribution to that area of legal and financial literature in which he is so eminent an authority.

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Those students and lawyers who are seriously concerned with labor law must become intimately familiar with the Labor-Management Reporting and Disclosure Act of 1959,1 also known as the "Landrum-Griffin Act," or the "Labor Reform Act." This is the only piece of omnibus labor legislation to have passed the Congress since the Labor Management Relations Act of 19472 (Taft-Hartley Act). The law is significant for several reasons including the fact that it is indicative of the trend toward increasing federal control and regulation over labor unions and officials. It is also significant in that it grants federal recognition, for the first time, to the right of members of a labor organization to enjoy democratic processes within the
