

## SUPPORTING STATEMENT FOR FORM 10-QSB

This submission, pursuant to the Paperwork Reduction Act of 1995, U.S.C. Section 3501 et seq., consists of this supporting statement and the following exhibits:

- A. Statutory Authority
- B. Registration Statement Form 10-QSB

### A. Justifications:

#### 1. Necessity for the Information Collection

On August 13, 1992 the Commission adopted rules and forms under the Securities Act of 1933 (“Securities Act”), the Securities Exchange Act of 1934 (“Exchange Act”) and Trust Indenture Act of 1939 (“Trust Indenture Act”) to facilitate capital raising by small businesses and reduce the costs of compliance with the federal securities laws. The Commission revised its general small issues exemption from Securities Act registration requirements and simplified registration and reporting disclosure requirements for “small business issuers” as defined in Item 10 of Regulation S-B. Form 10-QSB was created to satisfy the quarterly reporting obligations of small business issuers pursuant to Section 13 and 15(d) of the Exchange Act.

#### 2. Purposes of, and Consequences of not Requiring, the Information Collection

Form 10-QSB under the Exchange Act is used by small business registrants, as defined in Rule 12b-2 of the Exchange Act, to file quarterly reports. It includes unaudited financial statements and provides a periodic view of the registrant’s financial position during the year. The report must be filed for each of the first three fiscal quarters of the registrant’s fiscal year.

#### 3. Role of Improved Information Technology and Obstacles to Reducing Burden

Form 10-QSB is filed electronically using the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

#### 4. Efforts to Identify Duplication

Form 10-QSB must be signed on the registrant’s behalf by a duly authorized representative of the registrant, its principal financial officer or principal accounting officer and its principal executive officer. The Commission believes that any potential duplication is warranted to ensure that officials of a company review more carefully the disclosure in registrant’s quarterly reports and to participate more extensively in the preparation of these reports.

5. Effect on Small Entities

Form 10-QSB is an optional form for quarterly and transition reports of Small Business Issuers under Section 13 or 15(d) of the Securities Exchange Act of 1934 (“Exchange Act”). The report provides a comprehensive overview of the registrant’s business, although its requirements call for slightly less detailed information than required by Form 10-Q. It provides investors in securities of small businesses with the material information they need to evaluate their investments.

6. Consequences of Less Frequent Collection

The investor protection mandate of the Exchange Act requires that reporting companies, including small businesses provide, information that is relevant to individuals making investment decisions.

7. Inconsistencies with Guidelines in 5 C.F.R. 1320.5

Not applicable.

8. Consultation Outside the Agency

Before being adopted, Form 10-QSB was proposed for public comment. No comments were received during the 60-day comment period prior to OMB’s review on this submission.

9. Payment or Gift to Respondent

Not applicable.

10. Assurance of Confidentiality

All documents filed with the Commission are public documents.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Form 10-QSB takes approximately 182 hours per response to prepare and is filed by 4,066 respondents quarterly. We estimate that 75% of the 182 hours per response (136.5 hours) is prepared by the filer for a total annual reporting burden of 1,665,027 hours (136.5 hours per response x 12,198 responses). The estimated burden hours are solely for purposes of the Paperwork Reduction Act. They are not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

13. Estimate of Total Annualized Cost Burden

We estimate that 25% of the 182 hours per response (45.5 outside hours) is prepared by the registrant's outside counsel. We estimate that Form 10-QSB costs \$400 per hour (\$400 x 45.5 hours per response x 12,198 responses) for a total cost of \$222,003,600. The estimated cost is made solely for the purposes of the Paperwork Reduction Act. The cost is not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

14. Estimate Cost to the Federal Government

Regarding cost to the federal government, the Commission estimates that it costs \$ 91,520.00 to review and process Form 10-QSB. This figure is based upon the computation of staff time and cost.

15. Explanation of Change in Burden

The increase of 124,569 reporting burden hours and the increase of \$70,217,600 in cost burden are due to adjustments. The change in burden hours is due to an adjustment based on the number of Form 10-QSB filings we received during the last fiscal year. The increase in cost burden reflects a change in the hourly cost from \$300 per hour to \$400 per hour and a change in the number of Form 10-QSB filings.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Explanation as to Why Expiration Date Will Not Be Displayed

Not applicable.

18. Exception to Certification

Not applicable.

B. Collection of Information Employing Statistical Data

Not applicable.