

SUPPORTING STATEMENT FOR RULE 13e-3 AND SCHEDULE 13E-3

This submission; pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq., consists of this supporting statement and the following supporting exhibit:

A. Statutory Authority

A. Justification

1. Necessity of Information Collection

The disclosure requirements for persons engaging in corporate control transactions are designed to make material facts concerning the nature of the transaction and the participants known so that security holders have the opportunity to make informed investment decisions. Disclosure of this information is required primarily by the rules adopted under Section 13(e) of the Securities Exchange Act of 1934

Rule 13e-3 prescribes the filing, disclosure and dissemination requirements in connection with a going private transaction by an issuer or an affiliate. A “Rule 13e-3 transaction” is one of the following types of transactions or series of transactions which has either a reasonable likelihood or a purpose of producing, either directly or indirectly, any of the effects described in Rule 13e-3 (a)(3)(ii): (A) a purchase of any equity security by the issuer of such security or by an affiliate of such issuer; (B) a tender offer for or request or invitation for tenders of any equity security made by the issuer of such class of securities or by an affiliate of such issuer; or (C) a solicitation subject to Regulation 14A of any proxy, consent or authorization of, or a distribution subject to Regulation 14C holder by the issuer of the class of securities or by an affiliate of such issuer, in connection with a merger, consolidation, reclassification, recapitalization, reorganization or similar corporate transaction of an issuer or between an issuer (or its subsidiaries) and its affiliate; a sale of substantially all of the assets of an issuer to its affiliate or group of affiliates; or a reverse stock split of any class of equity securities of the issuer involving the purchase of fractional interests. The effects referred to in Rule 13e-3 (a)(3) include: (A) causing any class of equity securities of the issuer which is subject to Section 12(g) or Section 15(d) of the Act to be held of record by less than 300 persons; or (B) causing any class of equity securities of the issuer which is either listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association to neither be listed on any national securities exchange nor authorized to be quoted on a inter-dealer quotation system of any registered national securities association. The Schedule 13E-3 is the transaction statement that must be filed under Section 13(e) of the Exchange Act and Rule 13e-3.

2. Purposes of, and Consequences of Not Requiring, the Information Collection

The primary purpose of the Commission's forms and rules under the disclosure provisions of the federal securities laws is to assure public availability and dissemination of material information to security holders and the securities markets. Except on the occasional basis in the enforcement of the securities laws, the Commission uses very little of the collected information itself. In this respect, the information collection differs significantly from most other federal information collections, which are primarily for the use and benefit of the collecting agency.

The information required to be filed with the Commission permits verification of compliance with securities laws requirements and ensures the public availability and dissemination of the collected information. Private contractors reproduce much of the filed information and provide it to private parties. Many other persons obtain information directly from the Commission's public files. Security holders, investors, broker-dealers, investment banking firms, professional securities analysis and others need the information in evaluating transactions and making investment decisions.

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

Schedule 13E-3 is filed electronically using the EDGAR system.

4. Efforts to Identify Duplication

No similar information is made available to investors or the securities markets. Taken literally, Section 13(g) would require the filing of a report even though a report containing similar ownership information was also required under other sections of the Exchange Act. Section 13(g)(5), however, directs the Commission to take such steps as are necessary and appropriate in the public interest and for the protection of investors to achieve centralized reporting of the information to avoid unnecessary duplicative reporting and to minimize the compliance burdens on persons required to report.

5. Effect on Small Entities

The Commission believes that small entities seldom participate in control transactions as a filing person or a significant equity participant. Accordingly, it is believed that Schedule 13E-3 does not have a substantial economic impact on a significant number of small entities.

6. Consequences of Less Frequent Collection

The schedules and regulations are designed to elicit disclosure concerning substantial equity participants in control transactions and identify indirect control that is difficult to prove factually.

7. Inconsistencies with Guidelines in 5 CFR 1320.5

Not applicable.

8. Consultations Outside the Agency

We solicited public comment on this extension request. No comments were received during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift to Respondents

Not applicable.

10. Assurances of Confidentiality

Schedule 13E-3 is a public document.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Schedule 13E-3 takes approximately 137.25 hours per response to prepare and is filed by 600 issuers. We estimate that 25% of the 137.25 total burden hours (34.3125 hours per response) is prepared by the company for annual reporting burden of 20,587.5 hours (34.3125 hours per response x 600 responses). The estimated burden hours are solely for the purpose 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 75% of the 137.25 hours per response (102.9375 outside hours) is prepared by the issuer's outside counsel. We estimate that the Schedule 13E-3 cost is \$400 per hour (\$400 x 102.9375 hours per response x 600 responses) for a total cost of 24,705,000 is prepared by an outside law firm hired by the company. The estimated cost burden made solely for purposes of the Paperwork Reduction Act. It is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

14. Estimate Cost to the Federal Government

The estimated cost to the federal government is approximately \$82,000 to review and process Schedule 13E-3.

15. Explanation of Changes in Burden

The increase in cost burden of \$6,176,000 is due to an adjustment. The increase in cost burden reflects a change in the hourly cost estimate from \$300 per hour to \$400 per hour.

16. Information Collections Planned for Statistical Purposes

Not applicable.

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

Not applicable.