

## SUPPORTING STATEMENT FOR FORM 3, FORM 4, AND FORM 5

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 exhibits:

- A - Statutory Authority
- B - Form 3, Form 4 and Form 5

### A. Justification

#### 1. Necessity of Information Collection

Pursuant to Section 16(a) of the Securities Exchange Act of 1934 (“Exchange Act”), directors, officers and ten percent holders (“reporting persons”) of a company with Section 12 registered securities are required to file initial statements of beneficial ownership of their companies’ equity securities on Form 3. Form 3 must be filed within ten days after the event by which the person becomes a reporting person. Form 4 is used by reporting persons after the end of the month to indicate changes in beneficial ownership and must be filed before the end of the second business day following the day on which a transaction resulting in a change in beneficial ownership has been executed. Finally, Form 5 is used by reporting persons as an annual statement of beneficial ownership of securities and must be filed on or before the 45th day after the end of the company’s fiscal year end.

Congress enacted Section 16 in 1934 to combat the many abuses of insider trading. Congress also updated the Section 16 reporting requirements through the Sarbanes-Oxley Act of 2002. Congress found evidence of officers, directors, and major shareholders who manipulated stock prices and profited from information at their disposal. The section was intended to be a defense to curb such abuses through disclosure and short-swing profit recovery.

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

The principal function of the Commission’s forms and rules under the disclosure provisions of the federal securities laws is to make information available to the securities market. Moreover, the information required by the Commission permits verification of compliance with securities law requirements and assures the public availability and dissemination of such information. The Commission uses little of the collected information itself (except on an occasional basis in the enforcement of the securities laws). In this respect, these information collections differ significantly from most other federal information collections that are primarily used for the benefit of the collecting agency.

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

The Commission requires the electronic filing of Forms 3, 4 and 5 through the Electronic Data Gathering and Retrieval (EDGAR) computerized filing system.

4. Effort to Identify Duplication

Although some of the Form 3, 4 and 5 disclosure requirements may overlap with Form 144 and Schedule 13D and G reporting requirements; such requirements typically serve different purposes and affect different classes of filers.

5. Effect on Small Entities

Only reporting persons of small entities that have securities registered under Exchange Act Section 12 are subject to the information collection requirements of Forms 3, 4, and 5.

6. Consequences of Less Frequent Collection

The legislative intent behind this information collection could not be met by fewer collections. The protection of investors as mandated by the federal securities laws requires insiders of companies with securities registered under Section 12 to disclose basic information about their securities ownership and transactions.

7. Inconsistencies with Guidelines in 5 CFR 1320.6

Not applicable.

8. Consultations Outside the Agency

Forms 3, 4, and 5 were proposed for public comment. No comments were received on these requests during the 60-days comment period prior to OMB's review of these submissions.

9. Payment or Gift to Respondent

Not applicable.

10. Assurances of Confidentiality

Forms 3, 4 and 5 are public documents.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Form 3 is filed by approximately 29,000 insiders annually and it takes approximately .50 hours to prepare for a total 14,500 annual burden hours. 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.

Form 4 is filed by approximately 225,000 insiders annually and it takes approximately .50 hours to prepare for a total of 112,500 annual burden hours. 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.

Form 5 is filed by approximately 9,000 insiders annually and takes approximately one hour to prepare for a total of 9,000 annual burden hours. 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

Our burden estimates do not include an annual cost estimates because we believe that Forms 3, 4 and 5 are generally prepared by the filer or by corporate counsel as opposed to outside counsel.

14. Estimate of cost to the Federal Government

The estimated cost to the government is approximately \$50,000 a year to administer Forms 3, 4, and 5. This estimate is solely for purposes of the Paperwork Reduction Act and is not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

15. Explanation of Changes in Burden

The decrease of 3,000 burden hours regarding Form 5 reports is due to an adjustment. The change in burden hours reflects the approximate number of Form 5 reports that were actually filed during the last fiscal year.

16. Information Collections 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 Methods

Not applicable.