

SUPPORTING STATEMENT FOR AMENDMENTS TO RULES UNDER THE SECURITIES ACT OF 1933

This submission, pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq., consists of this supporting statement and Release No. 33-8869 (Dec. 6, 2007).

A. JUSTIFICATION

1. NECESSITY FOR THE INFORMATION COLLECTION

In Release No. 33-8869, the Securities and Exchange Commission adopted rule and form amendments that contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995. The title for the collection of information is “Form 144” (OMB Control No. 3235-0101).

Rule 144 is designed to prohibit the creation of public markets in securities of issuers concerning which adequate current information is not available to the public. At the same time, where adequate current information concerning the issuer is available to the public, the rule permits the public sale in ordinary trading transactions of limited amounts of securities owned by persons controlling, controlled by, or under common control with, the issuer (“affiliates”) and persons who have acquired restricted securities of the issuer.

Rule 144 therefore provides that a person who sells restricted securities or who sells securities on behalf of affiliates should be deemed not to be engaged in a distribution of such securities, and not to be an underwriter thereof, if all of the conditions of the rule are met. One condition requires that if an intended sale of securities exceeds certain thresholds, the security holder must file a notice of proposed sale on Form 144.

The amendments will:

- Increase the thresholds that trigger a Form 144 filing requirement under Rule 144;
- Eliminate the filing requirement for persons that are not affiliates who have acquired restricted securities of the issuer; and
- Make limited changes to the Form 144.

The Commission first submitted revised PRA estimates for Form 144 in connection with the proposed amendments to Rule 144. OMB approved those estimates. However, under the amendments adopted in Release No. 33-8869, the Commission raised the proposed filing thresholds triggering a Form 144 filing requirement. Under the amendments, if the amount of securities to be sold in reliance on the rule during any three month period exceeds 5,000 shares or \$50,000 (rather than 1,000 shares or \$50,000, as proposed), three copies of a notice on Form 144 must be filed with the Commission, and if such securities are admitted to trading on a national securities exchange, a copy of the notice also shall be transmitted to the exchange.

2. PURPOSE OF THE INFORMATION COLLECTION

Form 144 operates in conjunction with Rule 144. If the information collection was not required, the objectives of the rule could be frustrated.

3. USE OF ELECTRONIC MEDIA

Form 144 is not required to be filed electronically on the Commission's EDGAR electronic filing system since many persons do not have access to EDGAR filing equipment.

4. DUPLICATION

The Commission believes that there are no rules that conflict with or duplicate all the information requirements on Form 144.

5. METHODS USED TO MINIMIZE BURDEN ON SMALL BUSINESSES

The rule is designed to provide a means by which affiliates and persons who have acquired restricted securities of the issuer can publicly resell those securities without being deemed underwriters. Therefore, the rule provides a benefit to those persons who are considered to be small entities.

6. DESCRIPTION OF CONSEQUENCES OF LESS FREQUENT COLLECTION

The objectives of Rule 144 could not be met with less frequent collection of Form 144; the Form is filed only under specified conditions.

7. EXPLANATION OF SPECIAL CIRCUMSTANCES

Not applicable.

8. CONSULTATION OUTSIDE THE AGENCY

The Commission issued a proposing release with estimates on the collection of information requirements and associated paperwork burdens. The Commission received one comment letter on the PRA burden estimates for Form 144.¹ In consideration of the comments received, the Commission has decreased its estimate for the hourly burden required to complete Form 144, as discussed in further detail below.

In addition, the adopting release, Release No. 33-8869 solicits comment on the revised "collection of information" requirements and associated paperwork burdens. A copy of the release is attached. Comments on Commission releases are generally received from companies, investors and other market participants.

¹ See letter from Washington Service.

9. PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY

All Forms 144 filed with the Commission are public documents.

11. SENSITIVE QUESTIONS

Not applicable.

12. and 13. ESTIMATES OF HOUR AND COST BURDENS

In response to comments received, we are decreasing our hourly burden estimate for completing Form 144. We now estimate that it will take approximately one burden hour to prepare the Form 144. We estimate that it would be filed by 23,361 filers for a total of 23,361 burden hours. We think that generally all of the reporting burden is prepared by the filers. The burden hours are estimated solely for the 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.

14. ESTIMATE OF COST TO FEDERAL GOVERNMENT

The estimated cost of preparing the proposed amendments which includes the proposed revisions relating to Form 144 is approximately \$60,000.

15. EXPLANATION OF CHANGES IN BURDEN

The change in estimate is primarily due to the proposed revisions to the filing thresholds for Form 144 and the proposed revision to Rule 144 that would eliminate the Form 144 filing requirement for persons that are not affiliates of the issuer of the securities (and have not been for the most recent three months prior to the sale). Less Forms 144 would be filed as a result of the proposed revisions. We estimate that currently approximately 44.8%, or 27,127, of the total 60,500 filings are filed by security holders that are not affiliates of the issuer.² In addition, we estimate that increasing the Form 144 filing thresholds from 500 shares or \$10,000 to 5,000 shares or \$50,000 should *further* reduce the number of Form 144 filings by affiliates by approximately 30%, or 10,012 filings.³ Therefore, we estimate that the proposals would reduce the burden on selling security holders by approximately 37,139 burden hours.⁴

² We obtained data from the Thomson Financial Wharton Research Database. This estimate is based on information contained in notices on Form 144 that were filed in 2005.

³ This estimate is based also on information contained in notices on Form 144 that were filed in 2005.

⁴ $(27,127 \text{ filings} + 10,012 \text{ filings}) * 1 \text{ hour/filing} = 37,139 \text{ hours}$. The remaining difference (-60,500 hours) between the current burden in the OMB inventory for Form 144 and our revised estimate for the total annual burden for Form 144 reflects our adjustment in decreasing our estimate for the hourly burden to prepare Form 144 from

16. INFORMATION COLLECTIONS PLANNED FOR STATISTICAL PURPOSES

Not applicable.

17. EXPLANATION AS TO WHY EXPIRATION DATE WILL NOT BE DISPLAYED

Not applicable.

18. EXCEPTIONS TO CERTIFICATION

Not applicable.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.