

Rule 10b-17 Supporting Statement

A. Justification

1. Necessity of Information Collection

The Securities and Exchange Commission (“Commission”) adopted Rule 10b-17 in 1971 to protect the public from the failure of publicly traded companies to provide timely announcements of the record dates with respect to certain distributions related to their securities. The Commission has found that such failures resulted in purchasers and brokers-dealers entering into (and settling) securities transactions without knowledge of the accrual of rights to these distributions, leaving them unable to take necessary steps to protect their interests. The Commission has also found that sellers, as recordholders on the specified record date, disposed of cash or stock dividends or other rights received as such recordholders without knowledge of possible claims of purchasers of the underlying security to those dividends or rights. The Commission also found that issuers would often make belated announcements of such distributions apparently aware that such announcements would have a manipulative effect on the market for their securities because in these circumstances purchasers would effect “buy-in” transactions to liquidate the seller’s obligations, thus artificially inflating the price of the security.

Rule 10b-17 requires any issuer of a class of securities publicly traded by the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange to give notice of the following specific distributions relating to such class of securities: (1) a dividend or other distribution in cash or in kind other than interest payments on debt securities; (2) a stock split or reverse stock split; or (3) a rights or other subscription offering. Notice shall be either given to the Financial Industry Regulatory Authority, Inc. as successor to the National Association of Securities Dealers, Inc. or in accordance with the procedures of the national securities exchange upon which the securities are registered. The Commission may exempt an issuer of over-the-counter (but not listed) securities from the notice requirement. The requirements of 10b-17 do not apply to redeemable securities of registered open-end investment companies or unit investment trusts.

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

The information required by Rule 10b-17 is necessary for the execution of the Commission’s mandate under the Securities Exchange Act of 1934 to prevent fraudulent, manipulative, and deceptive acts and practices. The Commission has found that not requiring formal notices of the types of distributions covered by Rule 10b-17 has led to a number of abuses detailed above. It is only through formal notice of the distribution, including the date of the distribution, that current holders, potential buyers,

or potential sellers of the securities at issue will know their rights to the distribution. Therefore, it is only through formal notice that investors can make an informed decision as to whether to buy or sell a security.

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

Improvements in telecommunication and data processing technology reduce regulatory burdens that might otherwise result from Rule 10b-17. The Commission is not aware of any technical or legal obstacles to reducing the burden through the use of improved information technology.

4. Efforts to Identify Duplication

The information required by each of the rules described herein does not duplicate that required by any other federal regulation.

5. Effects on Small Entities

The information requirements of Rule 10b-17 apply equally to all issuers of publicly traded securities when engaging in the sorts of distributions covered by the rule. The Commission believes that the requirements of Rules 10b-17 are not unduly burdensome on small entities.

6. Consequences of Less Frequent Collection

Not applicable.

7. Inconsistencies With Guidelines in 5 CFR 1320.5(d)(2)

The collection of information requested in the rules described herein is conducted in a manner consistent with the guidelines in 5 C.F.R.1320.5(d)(2).

8. Consultations Outside the Agency

Rule 10b-17 was proposed in 1971 and made available for public comment prior to adoption.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

No assurance of confidentiality is provided.

11. Sensitive Questions

No questions of a sensitive nature are asked.

12. Estimates of Respondent Reporting Burden

The Commission estimates that approximately 3800 issuers made approximately 17,000 dividend announcements covered by Rule 10b-17 in 2007. The Commission estimates that approximately 250 issuers made 260 split announcements covered by Rule 10b-17 in 2007. The Commission estimates that approximately 2 issuers made 2 rights and other offerings covered by Rule 10b-17 in 2007. In total, the Commission estimates that there were 4052 (3800 plus 250 plus 2) respondents with 17,262 (17,000 plus 260 plus 2) responses in 2007. The Commission estimates that each response takes about 10 minutes to complete, thus imposing approximately 2877 burden hours annually (17,262 times 10 minutes).

13. Estimates of Total Annualized Cost Burden

Respondents incur no external costs of response. The reporting burden is satisfied completely by the hours incurred by respondents, as described in Item 12, above. We believe, however, that the average internal hourly cost to produce and file a response under the rule is about \$63.87, or approximately \$183,753.99 annually (2877 times \$63.87).

14. Estimated Cost to the Federal Government

The government does not experience any direct costs based on the recordkeeping required pursuant to Rule 10b-17.

15. Explanation of Changes in Burden

The change in the estimated reporting burden is based on a current estimate of the number of distributions covered by Rule 10b-17. The change in the estimated annualized cost burden is due to inflation adjustments. There are no other changes in the burden.

16. Information Collection Planned for Statistical Purposes

Not applicable. There are no plans to require the publication of these records in the future.

17. Explanation of Why Expiration Date Will Not Be Displayed

Not applicable.

18. Exceptions to the Certification

Not applicable.

B. Collecting Information Employing Statistical Methods

Not applicable.