

**SUPPORTING STATEMENT
FORM SH**

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. Written Statement Supporting Need for Emergency Consideration

A. JUSTIFICATION

1. Necessity for the Information Collection

On September 18, 2008, the Commission issued an emergency order pursuant to Section 12(k)(2) of the Securities Exchange Act of 1934 to require institutional investment managers subject to the existing Form 13F filing requirements to file new Form SH on the first business day of each week in which the institutional investment manager has entered into any new short positions or closed part or all of any short positions with respect to any Section 13(f) securities except for options. Institutional investment managers that exercise investment discretion over accounts -- having in the aggregate a fair market value of at least \$100,000,000 of exchange-traded or NASDAQ-quoted equity securities -- are required to file quarterly reports with the Commission on Form 13F. The Commission issued the order due to the substantial threat of sudden and excessive fluctuations of securities prices and disruption in the function of the securities markets that could threaten fair and orderly markets.

2. Purpose of the Information Collection

The purpose of Form SH is for certain institutional investment managers to provide information, with respect to each Section 13(f) security, about the total amount of short positions entered into or closed by institutional investment managers on each calendar day of the prior week in which the manager engaged in trading activity with respect to short positions. Form SH requires disclosure of the number and value of securities sold short for each Section 13(f) security, except for short sales in options, and the opening short position, closing short position, largest intraday short position, and time if the largest intraday short position, for the security during each calendar day of the prior week.

3. Role of Improved Information Technology

The Commission's electronic filing system (Electronic Data Gathering, Analysis, and Retrieval System, or "EDGAR") is designed to automate the filing, processing and dissemination of disclosure filings. Institutional investment managers will file Form SH using EDGAR.

4. Efforts to Identify Duplication

We are not aware of duplication of this information.

5. Effect on Small Entities

Not applicable. An institutional investment manager is not subject to Form SH reporting unless it exercises investment discretion over, in the aggregate, at least \$100,000,000 in certain equity securities.

6. Consequences of Less Frequent Collection

Collecting the information on a less frequent basis would frustrate the purpose of the emergency action that is causing the Commission to create Form SH on a temporary basis.

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

Form SH would be filed on a weekly basis, however, the emergency order requiring the filing of Form SH may not continue in effect for more than 30 calendar days from the date that the order is issued.

8. Consultation Outside the Agency

The Commission has been coordinating extensively with other financial regulators to address the current threats to fair and orderly securities markets. Due to the exigent circumstances, the Commission is unable to solicit public comment on the collection and estimated burden.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

Not applicable.

11. Sensitive Questions

Not applicable.

12. Estimate of Hour Burden

We are unable to estimate the number of the approximately 3,378 institutional investment managers subject to the Form 13F filing requirements that will need to file Form SH to report the entry into, or closing of, short positions for the week with respect to Section 13(f)

securities other than options. Therefore, we are conservatively estimating that all of these managers will be subject to the Form SH filing requirement each week.

We estimate that each of the 3,378 institutional investment managers would spend an average of 5 hours preparing each Form SH. The emergency order establishing the Form SH requirement is temporary – it will continue in effect for 10 business days. The order may be extended for up to 30 calendar days if the emergency persists and the Commission determines that continuation of the order is necessary in the public interest and for the protection of public investors. If the Commission determined to extend the order requiring managers to file Form SH, and it remained in place for 30 calendar days, each manager would file 4 Form SH reports. In such instance, the estimated total reporting burden associated with Form SH would be 67,560 hours (3,378 respondents x 5 hours per form x 4 forms).

13. Estimate of Total Annual Cost Burden

Not applicable.

14. Estimate of Cost to the Federal Government

Form SH will be received electronically, via the Commission's EDGAR system. While there may be some costs associated with system changes to allow EDGAR to accept Form SH, those costs also are not expected to be significant.

15. Explanation of Changes in Burden

Not applicable.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to not Display Expiration Date

Not applicable.

18. Exceptions to Certification Statement

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.