

Rule 19d-2 – Application for Stay of Final Disciplinary Sanctions and Summary Actions of SROs

Supporting Statement

A. Justification

1. Necessity for Information Collection

Rule 19d-2 under the Securities Exchange Act of 1934 (the “Act”) prescribes the form and content of applications to the Commission by persons desiring stays of final disciplinary sanctions and summary action of self-regulatory organizations (“SROs”) for which the Commission is the appropriate regulatory agency. Under the rule, persons desiring stays of final disciplinary sanctions and summary actions of SROs are required to file applications pursuant to Rule 19d-2 because sanctions imposed by SROs become effective upon the dates set by the SRO unless a stay is ordered by the Commission. Rule 19d-2 was adopted on July 8, 1977, pursuant to authority granted the Commission in Sections 6, 11A, 15, 15A, 17, 17A, 19 and 23 of the Act, 15 U.S.C. 78f, 78k-1, 78o, 78o-3, 78q, 78q-1, 78s and 78w.

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

The Commission uses the information provided in the application filed pursuant to Rule 19d-2 to exercise its jurisdictional review of stays of final disciplinary sanctions and summary action of SROs.

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

Submission of a written application for stays is the least burdensome and most effective means of giving the Commission notice of the applicant's intent. No improved information technology is generally available to applicants.

4. Efforts to Identify Duplication

Not applicable; there is no duplication of information.

5. Effect on Small Entities

Not applicable. Submission of a written application for stays is the least burdensome means of giving notice generally available to small businesses or other small entities.

6. Consequences of Less Frequent Collection

The filing of an application is discretionary for the applicants; therefore a less frequent collection is not available to the Commission.

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

This collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

In that this application is directed solely to the Commission and no other entities compile pertinent data on the applicants, no other agencies, state or local governments, or other organizations were consulted by the Commission on this matter.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

No assurance of confidentiality is provided to applicants.

11. Sensitive Questions

The form of the application does not impose the burden of any questions of a sensitive nature.

12. Estimate of Respondent Reporting Burden

Based upon past submissions, it is estimated that approximately 8 respondents will utilize this application procedure annually. It is estimated that it will take approximately 3 hours to comply with Rule 19d-2 for each submission, with a total burden of 24 hours.

13. Estimates of Total Annualized Cost Burden

Not applicable; (a) it is not anticipated that respondents will have to incur any capital and start up cost to comply with the rule; (b) it is not anticipated that the respondents will have to incur any additional operational or maintenance cost (other than provided for in item no. 12) to comply with the rule.

14. Estimate of Cost to Federal Government

From past experience, it is estimated that the operational costs of reviewing and processing applications filed pursuant to Rule 19d-2 amounted to approximately \$450. This amount is based on our computation of the value of staff time devoted to those activities and the related overhead valued at 35% of the staff time and is based on the GSA, Guide to Estimating Reporting Costs (1973).

15. Explanation of Changes in Burden

Not applicable.

16. Information Collections Planned for Statistical Purposes

The information received is not collected for statistical use.

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.