

SUPPORTING STATEMENT FOR RULE 13e-1

A. Justification

1. Necessity of Information Collection

Section 13(e) was added to the Exchange Act in 1968 as a part of the William Act amendments. Section 13(e) makes it unlawful for an issuer to purchase any equity security issued by it where it has a class of equity securities registered pursuant to Section 12 of the Exchange Act or is a closed-end investment company registered under the Investment Company Act of 1940, if such purchase is in violation of such rules and regulations set forth by the Commission for protection of public interest or for the protection of the investors.

In order to facilitate compliance with Section 13(e), the Commission adopted Rule 13e-1. The rule clearly states that an issuer that has received notice that it is the subject of a tender offer made under Section 14(d)(1) of the Act (15 U.S.C. 78n), that has commenced under Rule 14d-2, must not purchase any of its equity securities during the tender offer unless the issuer first files a statement with the Commission containing the required information under Rule 13e1. This rule is in keeping with the Commission's statutory responsibility to prescribe rules and regulations that are necessary for the protection of investors.

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

The principal function of rules under the Securities laws' disclosure provisions is to make information available to the securities markets. The Commission uses very little of the collected information for itself, except on an occasional basis in the enforcement of the securities laws. The information required by the Commission assures the public availability and dissemination of such information.

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

The Rule 13e-1 submissions are filed using the Electronic Data Gathering, Analysis and Retrieval System (EDGAR).

4. Efforts to Identify Duplication

There is no other public source for the information collection under Rule 13e-1 of Securities Act of 1933.

5. Effect on Small Entities

Small businesses are not required to file an information statement under Rule 13e-1 because the statement is only required by an issuer, that has a class of equity securities registered pursuant to Section 12 of the Exchange Act.

6. Consequences of Less Frequent Collection

The legislative intent behind this information collection requirement could not be met by fewer collections. See Part A.1 above.

7. Inconsistencies with Guidelines in 5 CFR 1320.5

Not applicable.

8. Consultation Outside the Agency

Rule 13e-1 was proposed for public comment. No public comments were received during the 60-day comment period prior to OMB's review of this submission.

9. Payments or Gift to Respondents

Not applicable.

10. Assurances of Confidentiality

Not applicable.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Rule 13e-1 submissions take approximately 10 hours per response to prepare and are filed by 20 respondents annually. We estimate that 25% of 10 hours per response (2.5 hours) is prepared by the filer for a total annual reporting burden of 50 hours (2.5 hours per response x 20 responses). The estimated burden hours are made 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

We estimate that 75% of the 10 hours per response (7.5 outside hours) is prepared by the filer's outside counsel. We estimate that it will cost \$400 per hour (\$400 x 7.5 hours per response x 20 responses) for total cost of \$60,000. The estimated cost burden is made solely for the purposes of the Paperwork Reduction Act. The cost is 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 Commission's operational cost of reviewing and processing statements filed pursuant to Rule 13e-1 during the last fiscal year was approximately \$1,500.

15. Explanation of Changes in Burden

Not applicable.

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.