

**SUPPORTING STATEMENT FOR FINAL RULES  
UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND EMERGENCY  
ECONOMIC STABILIZATION ACT OF 2008**

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. 34-61335 (January 12, 2010).

**A. JUSTIFICATION**

1. NECESSITY FOR THE INFORMATION COLLECTION

In Securities Exchange Act Release No. 34-61335,<sup>1</sup> the Commission adopted final amendments to Regulation 14A<sup>2</sup> under the Securities Exchange Act of 1934 (the “Exchange Act”).<sup>3</sup> The final amendments include a new Rule 14a-20 and amendments to Rule 14a-6 and to Schedule 14A to set forth certain requirements for U.S. registrants subject to Section 111(e) of the Emergency Economic Stabilization Act of 2008 (the “EESA”).<sup>4</sup> Pursuant to Section 111(e) of the EESA, entities that have received financial assistance under the Troubled Asset Relief Program (the “TARP”) are required to permit a non-binding separate shareholder vote on executive compensation.<sup>5</sup> Section 111(e)(3) of the EESA requires the Commission to issue any final rules required by Section 111(e) within one year of February 17, 2009.<sup>6</sup> The amendments to Regulation 14A are intended to help implement the EESA shareholder vote requirement by specifying it and clarifying it in the context of the federal proxy rules.

2. PURPOSE OF, AND CONSEQUENCES OF NOT REQUIRING, THE INFORMATION COLLECTION

The final amendments to Regulation 14A will help implement the EESA requirement to permit a separate shareholder vote on executive compensation. The amendments will be applicable to registrants that are subject to the federal proxy rules and that have received financial assistance under the TARP. By helping to provide certainty about the nature of the TARP recipient’s responsibilities with respect to the advisory vote on executive compensation, the amendments will eliminate uncertainty that may exist among TARP recipients and make it easier for them to comply with these responsibilities when conducting solicitations subject to the federal proxy rules. The amendments will also help ensure that TARP recipients provide useful information to shareholders about the nature of the required advisory vote on executive compensation.

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<sup>1</sup> Release No. 34-61335 (January 12, 2010) [75 FR 2789].

<sup>2</sup> 17 CFR 240.14a-1 et seq.

<sup>3</sup> 15 U.S.C. 78a et seq.

<sup>4</sup> 12 U.S.C. 5221(e).

<sup>5</sup> 12 U.S.C. 5221(e)(1).

<sup>6</sup> 12 U.S.C. 5221(e)(3).

3. USE OF ELECTRONIC MEDIA

Schedule 14A<sup>7</sup> is filed electronically with the Commission using the Commission's Electronic Data Gathering and Retrieval ("EDGAR") system.

4. EFFORTS TO IDENTIFY DUPLICATION

The required disclosure would not duplicate, overlap or conflict with other federal rules.

5. METHODS USED TO MINIMIZE BURDEN ON SMALL BUSINESSES

The final amendments will only apply to registrants that have received financial assistance under the TARP. We do not believe that any TARP recipients that are required to comply with the federal proxy rules are small entities as defined in Rule 0-10 under the Exchange Act.<sup>8</sup> In addition, if any small entities became subject to our amendments in the future, we do not believe the amendments would have a significant impact on them. Such entities would be required to permit a shareholder vote on executive compensation pursuant to the EESA statutory requirements. The amendments help implement these statutory requirements and would only impose a minimal additional burden. For these reasons, the final amendments should not have a significant economic impact on small entities.

6. DESCRIPTION OF CONSEQUENCES OF LESS FREQUENT COLLECTION

Schedule 14A is filed by U.S. issuers to help shareholders make informed voting decisions. Less frequent collection would deprive investors of access to information that is important to voting decisions.

7. EXPLANATION OF SPECIAL CIRCUMSTANCES

Not applicable.

8. CONSULTATION OUTSIDE THE AGENCY

The Commission has amended Regulation 14A several times since its adoption. Proposed changes are published for public comment. Prior to adoption of the final amendments, on July 1, 2009, the Commission issued a proposing release soliciting comment on the amendments.<sup>9</sup>

9. PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

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<sup>7</sup> 17 CFR 240.14a-101.

<sup>8</sup> 17 CFR 240.0-10 (defining small entities as those with total assets of \$5 million or less on the last day of their most recent fiscal year).

<sup>9</sup> Release No. 34-60218 (July 1, 2009) [74 FR 32474].

10. ASSURANCE OF CONFIDENTIALITY

Not applicable.

11. SENSITIVE QUESTIONS

Not applicable.

12 and 13. ESTIMATE OF HOUR AND COST BURDENS

We estimated that complying with the final amendments would result in an increase in the burden of complying with Regulation 14A of one hour per year for each registrant that is a TARP recipient. Based on publicly available information about the number of TARP recipients, we estimated that there are approximately 275 TARP recipients that would be subject to the amendments. Therefore, the total annual burden attributable to the amendments would be 275 hours.

We estimate that 75% of the burden of preparation of a proxy statement is carried by the company internally and that 25% of the burden of preparation is carried by outside professionals retained by the company at an average cost of \$400 per hour. The portion of the burden carried by outside professionals is reflected as a cost, while the portion of the burden carried by the company internally is reflected in hours. Based on the foregoing, the table below reflects our calculation of the additional annual compliance burdens resulting from the final amendments:

	Number of Responses (A)	Burden Hours/Form (B)	Total Burden Hours (C)	75% Company (D) = (C)*0.75	25% Professional (E) = (C)*0.25	Professional Costs (F) = (E)*\$400
Sch. 14A	275	1	275	206	69	\$27,500

14. ESTIMATE OF COST TO FEDERAL GOVERNMENT

The estimated cost of preparing the final amendments was approximately \$50,000.

15. EXPLANATION OF CHANGES IN BURDEN

The table below illustrates the changes in cost and hour burdens from the burden estimates currently approved by OMB. Columns (A) and (B) represent the most recent burden estimates submitted to OMB. Columns (C) and (D) represent the change in burden from the most recent estimates. Columns (E) and (F) represent the program change, which encompasses any change in burden that is attributable to the amendments. The current total annual burden hours and cost of Schedule 14A approved by the OMB are 669,026 hours and \$78,822,387. Giving effect to the incremental increases in burden hours and cost as a result of the final amendments, the total annual burden hours and cost of Schedule 14A would be 669,232 hours and \$78,849,887.

	Current Burden		Change in Burden		Program Change	
	Burden Hours (A)	Cost (B)	Burden Hours (C)	Cost (D)	Burden Hours (E)	Cost (F)
Sch. 14A	669,026	\$78,822,387	669,232	\$78,849,887	206	\$27,500

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.