

SUPPORTING STATEMENT FOR REGISTRATION FORM S-8

A. Justification

The basic objective of the Securities Act of 1933 (“Securities Act”) is the prevention of misrepresentation, deceit and other fraudulent acts and practices in the sale of securities. Rather than proscribing certain practices, the drafters of the Securities Act proposed to solve the problems associated with past corporate financing by indirectly requiring that there is “full and fair disclosure of the character of securities” sold to the public. To fulfill this objective, Section 5 of the Securities Act requires that the registration statement be filed before any securities are publicly offered and that the statement is effective before any securities are sold. The Securities Act (Section 5(b)) further requires that investors be furnished with a prospectus (which constitutes a major part of each registration statement) containing the information to enable them to evaluate the securities and make informed investment decisions. Moreover, Section 6(d) of the Securities Act mandates that the entire registration statement be made publicly available.

Section 7 and Schedule A of the Securities Act delineate the information required to be contained in a registration statement. However, Section 7 expressly gives the Commission the authority to vary such disclosure for various classes of issuers and securities. In this connection, it should be noted that the information required to be disclosed pursuant to most of the Commission’s registration statement forms, including Form S-8, is less than the information which otherwise would be required to be disclosed pursuant to Schedule A of the Securities Act. Section 10 of the Securities Act delineates which of the registration statement disclosure requirements are required to be included in the prospectus. As with Section 7, there is a provision granting the Commission discretion to classify prospectuses according to the nature and circumstances of their use or the nature of the securities, issue, issuer, or otherwise (Section 10(d)).

Pursuant to the Securities Act mandate which requires the filing of registration statements, as well as its statutory authority to vary disclosure requirements of registration statements depending upon the issuer and other considerations, the Commission for years has had a number of specialized registration statement forms designed to conform disclosure requirements to the type of offering or issuer or other parameter, thereby eliminating burdensome and unnecessary requirements. One such specialized form is Form S-8 (17 CFR 239.16b), used to register securities in connection with employee benefit plans.

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

The principal function of SEC forms and rules under the securities laws disclosure provisions is to make information available to the securities markets. The information required to be filed with the Commission permits verification of compliance with the securities law requirements and ensures the public availability and dissemination of such information. Also, security holders, investors, broker dealers, investing banking firms, professional securities analysts and others when making investment and voting decisions in connection with the evaluation of securities, need this information.

3. Role of Improved Technology and Obstacles to Reducing Burden

Registrants are required to file Form S-8 electronically using the Commission's Electronic Data Gathering, Analysis and Retrieval system (EDGAR).

4. Efforts to Identify Duplication

The Commission is involved in an on-going program designed to integrate the disclosure requirements of the Securities Act of 1933 with the disclosure requirements of the Exchange Act of 1934.

5. Effect on Small Entities

Form S-8 has little impact on small businesses since they rarely have employee benefit plans that are required to be registered. Small businesses may be eligible to rely on Rule 701 that provides an alternative to Form S-8 disclosure.

6. Consequences of Less Frequent Collection

The legislative intent for this information collection could not be met by fewer collections.

7. Inconsistencies with Guidelines in 5 CFR 1320.5

Not applicable.

8. Consultations Outside the Agency

Form S-8 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. Payment or Gift to Respondent

Not applicable.

10. Assurances of Confidentiality

Form S-8 is a public document.

11. Sensitive Questions

Not applicable.

12. Estimate of Respondent Reporting Burden

Form S-8 takes approximately 24 hours per response to prepare and is filed by 2,680 respondents annually. We estimate that 50% of the 24 hours per response (12 hours per response) is prepared by the filer for a total annual reporting burden of 32,160 hours (12 hours per response x 2,680 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 50% of the 24 hours per response (12 outside hours) is prepared by the company's outside counsel. We estimate that it will cost \$400 per hour (\$400 x 12 hours per response x 2,680) for a total of \$12,864,000. The estimated cost 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 the Federal Government

The operations cost of processing filings on Form S-8 were minimal because the form is not reviewed by the staff, but instead becomes automatically effective.

15. Explanation of Changes in Burden

The decrease in burden of 14,004 hours and the decrease in cost burden of \$5,601,600 is due to an adjustment. The decrease in both cost burden and burden hours reflects a decrease in the number of respondents filing Form S-8 last fiscal year.

16. Information Collections Planned for Statistical Purposes

Not applicable.

17. Explanation as to why Expiration Dates will not be Displayed

Not applicable.

18. Exceptions to Certification

Not applicable.

B. Collection of Information Employing Statistical Methods

Not applicable.