

## SUPPORTING STATEMENT FOR FORM 144

### A. Justification

#### 1. Circumstances Making the Collection of Information Necessary

Rule 144 is designed to prohibit the creation of public markets in securities of issuers concerning which adequate current information is not available to the public. At the same time, where adequate current information concerning the issuer is available to the public, the rule permits the public sale in ordinary trading transactions of limited amounts of securities owned by persons controlling, controlled by, or under common control with, the issuer and by persons who have acquired restricted securities of the issuer.

Rule 144 therefore provides that a person who sells restricted securities or who sells securities on behalf of a control person should not be deemed to be engaged in a distribution of such securities, and not to be an underwriter thereof, if all of the conditions of the rule are met.

Form 144 is used to report the sale of securities during any three-month period that exceeds 5,000 shares or other units and has an aggregate sales price that does not exceed \$50,000. Under Sections 2(11), 4(1), 4(2), 4(4) and 19(a) of the Securities Act of 1933 and Rule 144 there under, the Commission is authorized to solicit the information required to be supplied by Form 144.

#### 2. Purpose and Use of the Information Collection

Form 144 operates in conjunction with Rule 144. If the information collection was not required, the objectives of the rule could be frustrated.

#### 3. Consideration Given to Information Technology

Form 144 is permitted, but not required, to be filed electronically on the Commission's EDGAR electronic filing system since many individuals do not have access to EDGAR filing equipment.

#### 4. Duplication of Information

There is no other public source for the information required on Form 144.

#### 5. Reducing the Burden on Small Entities

The rule is designed to provide a means by which control persons of issuers and persons who have acquired restricted securities of the issuer can publicly sell those securities without being deemed to be underwriters. Therefore, the rule provides a benefit to those persons who are considered to be small entities.

#### 6. Consequences of Not Conducting Collection

The objectives of Rule 144 could not be met with less frequent collection of Form 144; the Form is filed only under specified conditions.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Form 144 was proposed for public comment. No comments were received on this request during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift

Not applicable.

10. Confidentiality

All documents filed with the Commission are public documents.

11. Sensitive Nature

Not applicable.

12. Burden of Information Collection

Form 144 takes approximately 1 hour to prepare and is filed by 23,361 respondents for a total of 23,361 annual burden hours. We estimate that the entire reporting burden is prepared by the filers. The estimated burden hours are made solely for the purposes 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. Costs to Respondents

We estimate that 100% of the 23,361 total burden hours are prepared by the filers and there is no additional cost associated with the information collection.

14. Costs to Federal Government

Not applicable.

15. Reason for Change

Not applicable.

16. Tabulation of Results, Schedule, Analysis Plans

Not applicable.

17. Display of OMB Approval Date

Not applicable.

18. Exception to Certification

Not applicable.

B. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.