

SUPPORTING STATEMENT FOR SECURITIES ACT RULE 425

A. Justification

1. Necessity of Information Collection

Securities Act Rule 425 requires written communications about a planned business combination transaction to be filed with the Commission. Rule 425 is used in connection with other Commission rules to permit parties to communicate about a planned business combination transaction before a Securities Act registration statement is filed.

2. Purpose and Use of the Information Collection

A primary purpose of the rule is to relax existing restrictions on oral and written communications with shareholders about tender offers, mergers and other business combination transactions by permitting the dissemination of more information on a timely basis as long as the written communications are filed on the date of first use.

3. Consideration Given to Information Technology

Rule 425 communications are filed using the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Duplication

Although the filer of the Rule 425 information may choose to publicly disseminate it, there are no other filing requirements that duplicate this information.

5. Effect on Small Entities

All issuers, including small businesses have discretion as to whether or not they want to disseminate written communications require to be filed under Rule 425. Rule 425 was adopted in connection with other revisions, all of which were intended to decrease costs and burdens for all issuers, including small business issuers, and enhance communications between issuers and investors.

6. Consequences of Not Conducting Collection

Rule 425 requires filing of written communications only when issuers choose to disseminate them and only in connection with business combination transactions. Less frequent collection could compromise investor protection.

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

The collection is not inconsistent with 5 CFR 1320.5(d)(2).

8. Consultations with Persons Outside the Agency

Rule 425 was proposed for public comment. For this Extension submission, the required 60 day and 30 day Federal Register notices were published. The Commission received no comments pertaining to this information collection.

9. Payment or Gift

The respondents receive no payments or gifts.

10. Confidentiality

The information obtained under Rule 425 is available to the public.

11. Sensitive Questions

Not applicable. No information of a sensitive nature is required under the rule.

12. Burden of Information Collection

We estimate that approximately 1,680 issuers file communications under Rule 425 in connection with securities-based business combination transactions at an estimated 0.25 hours per response for a total of 420 annual burden hours. Much of the burden associated with Securities Act Rule 425 is in connection with certain types of business combination transactions and other communications before the filing of proxy statements has been indirectly reflected through various Exchange Act information collection files approved by OMB. Other communications under Rule 425 related to securities-based business combination offerings may also have been indirectly reflected through other Securities Act information collection files. The estimated burden hours are solely for the purpose of the Paperwork Reduction Act.

13. Costs to Respondents

There are no additional costs associated with this information collection.

14. Federal Government Costs

There are no federal costs related to material costs for this information collection.

15. Changes in Burden

The decrease of 505 burden hours is due to an adjustment. The change in burden hours is due to a decrease in the number of Rule 425 communications.

16. Information Collection Planned for Statistical Purposes

The information is not published for statistical use.

17. Display of OMB Approval Date

The Commission is not seeking an approval to not display the OMB expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.