

SUPPORTING STATEMENT FOR RULE 13e-3 AND SCHEDULE 13E-3

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The disclosure requirements for persons engaging in corporate control transactions are designed to make material facts concerning the nature of the transaction and the participants known so that security holders have the opportunity to make informed investment decisions. Disclosure of this information is required primarily by the rules adopted under Section 13(e) of the Securities Exchange Act of 1934

Rule 13e-3 prescribes the filing, disclosure and dissemination requirements in connection with a going private transaction by an issuer or an affiliate. A “Rule 13e-3 transaction” is a transaction or series of transactions specified in Rule 13e-3(a)(3)(i) that has either a reasonable likelihood or a purpose of producing, either directly or indirectly, any of the effects described in Rule 13e-3 (a)(3)(ii). The effects referred to in Rule 13e-3 (a)(3) include: (a) causing any class of equity securities of the issuer which is subject to Section 12(g) or Section 15(d) of the Exchange Act to be eligible for termination of registration, or causing the reporting obligations with respect to such class to become eligible for termination or suspension; or (b) causing any class of equity securities of the issuer which is either listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association to be neither listed on any national securities exchange nor authorized to be quoted on a inter-dealer quotation system of any registered national securities association. The Schedule 13E-3 is the transaction statement that must be filed under Section 13(e) of the Exchange Act and Rule 13e-3.

2. Purpose and Use of the Information Collection

The information required to be filed with the Commission permits verification of compliance with securities laws requirements and ensures the public availability and dissemination of the collected information. Private contractors reproduce much of the filed information and provide it to private parties. Many other persons obtain information directly from the Commission’s public files. Security holders, investors, broker-dealers, investment banking firms, professional securities analysis and others need the information in evaluating transactions and making investment decisions.

3. Consideration Given to Information Technology

Schedule 13E-3 is filed electronically using the EDGAR system.

4. Duplication of Information

No similar information is made available to investors or the securities markets. Taken literally, Section 13(g) would require the filing of a report even though a report containing similar ownership information was also required under other sections of the Exchange Act. Section 13(g)(5), however, directs the Commission to take such steps as are necessary and appropriate in the public interest and for the protection of investors to achieve centralized reporting of the information to avoid unnecessary duplicative reporting and to minimize the compliance burdens on persons required to report.

5. Reducing the Burden on Small Entities

The Commission believes that small entities seldom participate in control transactions as a filing person or a significant equity participant. Accordingly, it is believed that Schedule 13E-3 does not have a substantial economic impact on a significant number of small entities.

6. Consequences of Not Conducting Collection

The schedules and regulations are designed to elicit disclosure concerning substantial equity participants in control transactions and identify indirect control that is difficult to prove factually.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Before it was adopted, Rule 13e-3 and Schedule 13E-3 were proposed for public comment. No comments were received during the 60-day comment period prior to OMB's review of this extension request.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Schedule 13E-3 is a public document.

11. Sensitive Questions

This collection does not contain any personal identifiable Information (PII). The Privacy Impact Assessment (PIA) is provided as a supplemental document.

12. Estimate of Respondent Reporting Burden

Schedule 13E-3 takes approximately 137.42 hours per response to prepare and is filed by 100 issuers. We estimate that 25% of the 137.42 total burden hours (34.36 hours per response) is prepared by the company for annual reporting burden of 3,436 hours (34.36 hours per response x 100 responses). The estimated burden hours are solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimate that 75% of the 137.42 hours per response (103.06 hours) is prepared by the issuer's outside counsel. We estimate that the Schedule 13E-3 cost is \$400 per hour (\$400 x 103.06 hours per response x 100 responses) for a total cost of \$4,122,400 is prepared by an outside law firm hired by the company. The estimated cost burden made solely for purposes of the Paperwork Reduction Act.

14. Costs to Federal Government

The estimated cost to the federal government is approximately \$100,000 to review and process Schedule 13E-3 filings.

15. Reason for Change in Burden

The decrease of 17,177 in burden hours and decrease of \$20,612,600 in cost burden are due to an adjustment. The decrease burden hours and cost burden is due to change in the number of Schedule 13E-3 filings filed with the Commission.

16. Information Collections Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates. The OMB control number will be displayed.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.

B. STATISTICAL METHODS

Not applicable.