

SUPPORTING STATEMENT FOR SECURITIES ACT RULE 425

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

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 of Information

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. Reducing the Burden on Small Entities

All issuers, including small businesses have discretion as to whether or not they want to disseminate written communications required 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. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Before it was adopted, Rule 425 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 extension request.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Not applicable.

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

We estimate that approximately 2,650 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 663 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. Estimate of Total Annualized Cost Burden

We estimate that issuers will prepare 100% of the 663 total reporting burden hours and there is no additional cost associated with the information collection.

14. Costs to Federal Government

There is no cost to the federal government.

15. Reason for Change in Burden

The increase of 423 burden hours is due to an adjustment. The change in burden hours is due to an increase in the number of Rule 425 communications.

16. Information Collection 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.