

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
REGULATION 14C AND SCHEDULE 14C

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Securities Exchange Act of 1934 (“Exchange Act”) grants the Securities and Exchange Commission (“Commission”) authority over the solicitation of proxies for the purpose of ensuring fair corporate voting. Section 14(a) of the Exchange Act ensures that shareholders, when solicited, have sufficient information upon which to make their voting decisions or decisions to authorize a proxy or consent. Section 14(c) of the Exchange Act requires issuers that do not solicit proxies or consents from any or all of the holders of record of a class of securities registered under Section 12 of the Exchange Act and in accordance with the rules and regulations prescribed under Section 14(a) in connection with a meeting of security holders (including action by consent) to distribute to any holders that were not solicited an information statement substantially equivalent to the information that would be required to be transmitted if a proxy or consent solicitation were made. Regulation 14C (Exchange Act Rules 14c-1 through 14c-7 and Schedule 14C) (17 CFR 240.14c-1 through 240.14c-7 and 240.14c-101) sets forth the requirements for the dissemination, content and filing of the information statement.

2. Propose and Use of the Information Collection

The purpose of Regulation 14C, and rules contained therein, including Schedule 14C, is to ensure that those issuers that do not solicit proxies or consent provide all or any holder of securities registered under Section 12 of the Exchange Act with material information as prescribed under Regulation 14A and Section 14(a) of the Exchange Act.

3. Consideration Given to Information Technology

Schedule 14C information is filed electronically with the Commission using the Commission’s Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Duplication of Information

We are not aware of any rules that conflict with or substantially duplicate Schedule 14C.

5. Reducing the Burden on Small Entities

Regulation 14C applies to all issuers including any small entities that have a class of securities registered under Section 12 of the Exchange Act are subject to the proxy rules.

6. Consequences of Not Conducting Collection

Regulation 14C requires disclosure by issuers who have not solicited proxies or consents from some or all holders of a class of securities registered under Section 12 of the Exchange Act entitled to vote at a meeting or authorize a corporate action, but who have been authorized to take corporate action pursuant to the written consents or authorizations of security holders. Less frequent collection would deprive investors of information that is important to their investment and voting decisions.

7. Special Circumstances

There are none.

8. Consultations with Persons Outside the Agency

Regulation 14C and related Schedule 14C were proposed for public comment. No comments were received during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Schedule 14C is a public document.

11. Sensitive Questions

No information of a sensitive nature would be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include name, business address, and residential address (for sole proprietor only), telephone/cellular/facsimile number, email address, and Tax ID Number (TIN). The information collection is covered under the System of Records Notices (SORN), which may be found at the following link: <http://www.sec.gov/about/privacy/sorn/secsorn8.pdf>. The Privacy Impact Assessment (PIA) is provided as a supplemental document.

12. Estimate of Respondent Reporting Burden

For purposes of the Paperwork Reduction Act ("PRA"), we estimate that Schedule 14C takes approximately 130.95 hours per response to comply with the collection of information requirements and is filed by 569 issuers. We derived our burden hour estimates by estimating the average number of hours it would take an issuer to compile the necessary information and data, prepare and review disclosure, file documents and retain records. In connection with rule amendments to the Schedule 14C, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We believe that the actual burdens will likely vary among individual issuers based on the size and complexity of

their organization and the nature of their operations. We further estimate that 75% of the 130.95 hours per response (98.21 hours) is prepared by the issuer internally. Based on our estimates, we calculated the total reporting burden to be 55,881 hours ((75% x 130.95) x 569 responses). For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number. The estimated burden hours are made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimate that 25% of the 130.95 hours per response (32.74 hours) is prepared by outside professionals retained by the issuer to assist in the preparation of the form. We estimate an hourly cost of \$400 for outside legal and accounting services used in connection with public company reporting. This estimate is based on our consultations with issuers and professional firms who regularly assist issuers in preparing and filing disclosure documents to the Commission. Our estimates reflect average burdens, and, therefore, some companies may experience costs in excess of our estimates and some companies may experience costs that are lower than our estimates. We calculated that total annual cost to be \$7,451,624 (\$400 per hour x 32.74 hours per response x 569 responses). For administrative convenience, the cost totals have been rounded to the nearest dollar. The cost estimate is made solely for the purposes of the Paperwork Reduction Act.

14. Costs to Federal Government

The estimated cost to the federal government is \$50,000.

15. Reason for Change in Burden

The decrease of -10,903 annual reporting burden hours and the decrease of (\$500,925) in cost burden are due to adjustments. The change in burden hours is due to an adjustment in the number of Schedule 14C filings made with the Commission and the decrease in cost burden is due to a change in how the Commission calculates the cost burden.

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.