SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
FOR SECURITIES ACT RULE 155

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Under the Securities Act, an integration analysis often is made to determine whether multiple securities offerings should be considered part of the same offering. This analysis helps to determine whether registration is required under Section 5 of the Securities Act, or an exemption from registration is available. The concept of integration prevents an issuer from improperly avoiding registration by artificially dividing a single offering so that exemptions appear to apply to the various parts where no exemption would be available for the transaction as a whole. Improper reliance on an exemption can harm investors by depriving them of the disclosure benefits and legal remedies that flow from registration.

Securities Act Rule 155 provides safe harbors from integration in two circumstances: (1) a registered offering that follows an abandoned private offering; and (2) a private offering that follows a withdrawn registered offering. Each of the rule's safe harbors imposes conditions designed to assure that there is a clean break between the abandoned offering and the later offering. In each safe harbor, these conditions include specified disclosure designed to assure that investors understand this break as they consider an investment decision in the later offering.

2. Purpose and Use of the Information Collection

Rule 155(b) provides a safe harbor from integration where an abandoned private offering is followed by a registered offering if specified conditions are satisfied. One of these conditions is that the Section 10(a) final prospectus and any Section 10 preliminary prospectus used in the registered offering disclose certain information about the abandoned private offering, so that the registered offering is not confused with the private offering. Specifically, any prospectus filed as part of the registration statement discloses information about the abandoned private offering, including: the size and nature of the private offering; the date on which the issuer terminated all offering activity in the private offering; that any offers to buy or indications of interest in the private offering were rejected or otherwise not accepted; and that the prospectus delivered in the registered offering supersedes any selling material used in the private offering.

Rule 155(c) provides a safe harbor from integration where an abandoned registered offering is followed by a private offering. The conditions for this safe harbor include that the issuer notify each offeree in the private offering that the registration statement for the abandoned offering was withdrawn, specifying the effective date of the withdrawal. The issuer also must notify each offeree in the private offering that the private offering is not registered, the securities are "restricted," and purchasers do not have the protection of Securities Act Section 11. These conditions are designed to assure that the private offering is not confused with the registered offering. For the same reason, Rule 155(c) also requires any disclosure document used in the

private offering to disclose any changes in the issuer's business or financial condition that occurred after the issuer filed the registration statement that are material to the investment decision in the private offering. Unlike the other Rule 155 requirements described above, which always apply, this requirement will not necessarily apply to all private offerings that rely on Rule 155(c) and may require more disclosure in some cases than others where it does apply.

With respect to both Rule 155(b) and Rule 155(c), failure to satisfy the applicable information collection conditions will result in unavailability of the safe harbor provided by the rule. However, compliance with the rule is not the exclusive test for avoiding integration of the registered and private offerings. Alternative tests that were available before the rule's adoption will remain available.

3. Consideration Given to Information Technology

Submissions made pursuant to Rule 155 are filed using the Electronic Data Gathering, Analysis and Retrieval System (EDGAR).

4. Duplication of Information

We are not aware of any forms or rules that conflict with or substantially duplicate the requirements of Rule 155.

5. Reducing the Burden on Small Entities

Rule 155 will be available to all issuers, including small entities. The rule will enable issuers more easily to avoid incurring the expense of filing a registration statement, only to discover later that a registered offering cannot be completed. This flexibility should be particularly beneficial to small entities, for which the costs of a registered offering typically represent a greater proportion of resources.

6. Consequences of Not Conducting Collection

The objectives of Rule 155 could not be met with less frequent collection of information that is filed only under specified conditions.

7. Special Circumstances

There are no special circumstances.

8. Consultations with Persons Outside the Agency

No comments were received during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift to Respondents

No payment or gift to respondents.

10. Confidentiality

All documents filed with the Commission are public documents.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include name, home address, telephone number, zip code, and job title. However, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on January 29, 2016 is provided as a supplemental document and is also available at https://www.sec.gov/privacy.

12. Estimate of Respondents Reporting Burden

For purposes of the Paperwork Reduction Act ("PRA"), we estimate that Rule 155 takes approximately 4 hours per response to comply with the collection of information requirements and is filed by 600 respondents. 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 form, 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 their size and the nature of their operations. We further estimate that 50% of the collection of information burden is carried by the issuer internally and that 50% of the burden of preparation is carried by outside professionals retained by the issuer. Based on our estimates, we calculated the total reporting burden to be 1,200 hours ((0.50x 4 hours per response) x 600 responses). For administrative convenience, the presentation of the total related to the paperwork burden hours has been rounded to the nearest whole number.

13. Estimate of Total Annualized Cost Burden

We estimate that 50% of the 4 hours per response (2 hours) are prepared by outside counsel. We estimate that it will cost $400 per hour ($400 x 2 hours per response x 600 responses) for a total cost of $480,000. 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 registrants and professional firms who regularly assist issuers in preparing and filing disclosure documents with the Commission. Our estimates reflect average burdens, and therefore, some issuers may experience costs in excess of our estimates and some

issuers may experience costs that are lower than our estimates. For administrative convenience, the presentation of the total related to the paperwork cost burden has been rounded to the nearest dollar.

14. Costs to Federal Government

The annual cost of reviewing and processing disclosure documents, including registration statements, post-effective amendments, proxy statements, annual reports and other filings of operating companies amounted to $102 million in fiscal year 2018, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15. Reason for Change in Burden

There is no change in the burden at this time.

16. Information Collection Planned for Statistical Purposes

The information collection does not employ statistical methods.

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

There are no exceptions to certification for Paperwork Reduction Act submissions..

B. STATISTICAL METHODS

The information collection does not employ statistical methods.