

SUPPORTING STATEMENT  
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION  
SUBMISSION FOR FORM 144

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Rule 144 is designed to prohibit the creation of public markets in securities of issuers concerning which adequate current information is not available to the public. At the same time, where adequate current information concerning the issuer is available to the public, the rule permits the public sale in ordinary trading transactions of limited amounts of securities owned by persons controlling, controlled by, or under common control with, the issuer and by persons who have acquired restricted securities of the issuer.

Rule 144 therefore provides that a person who sells restricted securities or who sells securities on behalf of affiliates should be deemed not to be engaged in a distribution of such securities, and not to be an underwriter thereof, if all of the conditions of the rule are met. One condition requires that if an intended sale of securities exceeds certain thresholds, the security holder must file a notice of proposed sale on Form 144.

If the amount of securities to be sold in reliance on the rule during any three-month period exceeds 5,000 shares or \$50,000, three copies of a notice on Form 144 must be filed with the Commission, and if such securities are admitted to trading on a national securities exchange, a copy of the notice also shall be transmitted to the exchange.

2. Purpose and Use of the Information Collection

Form 144 operates in conjunction with Rule 144. If the information collection was not required, the objectives of the rule could be frustrated.

3. Consideration Given to Information Technology

Form 144 must be filed in paper form with the Commission if the issuer of the securities is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. If the issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, Form 144 may be filed electronically. Form 144 is permitted, but not required, to be filed electronically on the Commission's EDGAR electronic filing system because many individuals do not have access to EDGAR filing equipment.

4. Duplication of Information

We are not aware of any forms or rules that conflict with or substantially duplicate the requirements of form, rule or regulation.

5. Reducing the Burden on Small Entities

The rule is designed to provide a means by which control persons of issuers and persons who have acquired restricted securities of the issuer can publicly sell those securities without being deemed to be underwriters. Therefore, the rule provides a benefit to those persons who are considered to be small entities.

6. Consequences of Not Conducting Collection

The objectives of Rule 144 could not be met with less frequent collection of Form 144; the Form 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

Form 144 is a public document.

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, address and zip code of the person filing this form. 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 February 5, 2020, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Estimate of Respondent Reporting Burden

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that it takes approximately one burden hour to prepare Form 144 and that the form is filed by 33,725 respondents. We further estimate that 100% of the burden is prepared by the filer. Based on our estimates, we calculated the total reporting burden to be 33,725 hours (one hour per response x 33,725 responses). 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 the nature of their operations. The burden estimate for the burden hours is made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimate that 100% of the 33,725 total burden hours are prepared by the filers and there is no additional cost associated with the information collection.

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 approximately \$103,479,690 in fiscal year 2019, 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 burden.

16. Information Collection Planned for Statistical Purposes

The information collection is not planned for statistical purposes.

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.