

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION SUBMISSION
FOR REGULATIONS 14D AND 14E AND SCHEDULE 14D-9

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 involved public so that security holders have the opportunity to make informed investment decisions. Disclosure of this information is required primarily by the rules adopted under the Williams Act amendments to the Securities Exchange Act of 1934 (“Exchange Act”) and the proxy rules promulgated under Section 14(a) of the Exchange Act.

Regulation 14D applies to any tender offer which is subject to Section 14(d)(1) of the Exchange Act, including, but not limited to, any tender offer for securities of a class described in that section that is made by an affiliate of the issuer. Regulation 14E applies generally to tender offers for securities, other than exempted securities.

Sections 14(d) and 14(e) of the Exchange Act of 1934 provide for the filing of Schedule 14D-9. Schedule 14D-9 requires persons publishing or distributing to security holders a solicitation or recommendation concerning tender offers for securities to disclose related information.

2. Purpose and Use of the Information Collection

The primary purpose of the Commission’s forms and rules under the disclosure provisions of the federal securities laws is to ensure public availability and dissemination of material information to security holders and the securities markets. Except on an occasional basis in the enforcement of the securities laws, the Commission uses very little of the collected information. In this respect, these information collections differ significantly from most other federal information collections that are primarily for the use and benefit of the collecting agency. Security holders, investors, broker-dealers, investment banking firms, professional securities analysts and others can use the information on Schedule 14D-9 in evaluating transactions and making investment decisions.

3. Consideration Given to Information Technology

Schedule 14D-9 is filed using the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Duplication of Information

Information provided on Schedule 14D-9 is not duplicative of any other disclosure requirements. This information is not otherwise readily available to investors or the securities markets.

5. Reducing the Burden on Small Entities

A small entity may be required to file a Schedule 14D-9 if it has significant equity participation in a control transaction.

6. Consequences of Not Conducting Collection

Schedule 14D-9 elicits disclosure concerning substantial equity participants in control transactions and identifies indirect control that is difficult to prove factually. This disclosure helps the Commission to carry out its mission to protect the investing public. The legislative intent for this information collection would not be satisfied by fewer collections.

7. Special Circumstances

There are no special circumstances.

8. Consultations with Persons Outside the Agency

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

No payment or gift has been provided to any respondents.

10. Confidentiality

All information filed with the Commission is provided to the public upon request.

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 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

Table of Reporting Burden Due to an Extension Request

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Schedule 14D-9	3235-0102	169	11,009

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that Regulations 14D and 14E and Schedule 14D-9 takes approximately 260.56 hours per response to comply with the collection of information requirements and is filed by 169 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 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. We further estimate that 25% of the collection of information burden is carried by the issuer internally and that 75% of the burden of preparation is carried by outside professionals retained by the company. Based on our estimates, we calculated the total reporting burden to be 11,009 hours ((25% x 260.56 total burden hours per response) x 169 responses). For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar.

13. Estimate of Total Annualized Cost Burden

Table of Cost Burden Due to Extension Request

Information Collection Title	OMB Control Number	Number of Responses	Cost Burden
Schedule 14D-9	3235-0102	169	\$13,210,392

We estimated that 75% of the 260.56 hours per response (195.42 hours) is prepared by outside counsel. We estimate that it will cost \$400 per hour (\$400 per hour x 195.42 hours per response x 169 responses) for a total cost burden of \$13,210,392. The estimated cost burden is made solely for the purpose of the Paperwork Reduction Act. 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 registrants in preparing and filing disclosure documents with 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. For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar. The cost estimate is made solely for the purpose of the Paperwork Reduction Act.

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 the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.