

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 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 has been provided to any respondents.

10. Confidentiality

Schedule 14C 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 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

Estimated Reporting Burden

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Schedule 14C	3235-0057	569	56,356

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that Schedule 14C takes approximately 132.058 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 132.058 hours per response (99.044 hours) is prepared by the issuer internally. Based on our estimates, we calculated the total reporting burden to be 56,356 hours ((75% x 132.058) x 569 responses). For administrative convenience, the paperwork burden hours has been rounded to the nearest whole number. The burden estimate for the hours is made solely for the purpose of the Paperwork Reduction Act.

12. Estimate of Total Annualized Cost Burden

Estimated Cost Burden

Information Collection Title	OMB Control Number	Number of Responses	Cost Burden
Schedule 14C	3235-0057	569	\$7,514,944

We estimate that 25% of the 132.058 hours per response (33.0145 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 7,514,944 (\$400.0449 per hour x 33.0145 hours per response x 569 responses). For administrative convenience, the paperwork cost burden has been rounded to the nearest dollar. The cost burden 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 \$119,447,840 in fiscal year 2020, 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.