

# MASTER ANALYTIC STATEMENT

**AFFIDAVIT OF REGULATORY BURDEN ANALYSIS,**

**PAPERWORK REDUCTION ACT CHALLENGE,**

**AND PETITION FOR RULEMAKING**

**(FORM S-1 — OMB CONTROL NO. 3235-0065)**

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## **1. DECLARATION UNDER PENALTY OF PERJURY**

**(28 U.S.C. § 1746)**  01/05/2026

I, **James Poole**, hereby declare under penalty of perjury pursuant to **28 U.S.C. § 1746** that the statements contained in this Master Analytic Statement are true and correct to the best of my knowledge, information, and belief.

This declaration is made for the purpose of submission into the official administrative record for **OMB Control No. 3235-0065 (Form S-1)** and for review by the **Securities and Exchange Commission** and the **Office of Management and Budget / Office of Information and Regulatory Affairs (OMB/OIRA)**.

This submission is intended to support lawful, evidence-based decision-making under the **Paperwork Reduction Act, Administrative Procedure Act, Regulatory Flexibility Act, Federal Records Act**, and applicable **OMB Circulars and Executive Orders** governing regulatory burden, cost minimization, and administrative record integrity.

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## 2. PURPOSE AND SCOPE

### *(PRA, APA, RFA, OMB, and Executive Order–Driven Submission)*

This submission is made pursuant to the **Paperwork Reduction Act, Administrative Procedure Act, Regulatory Flexibility Act, applicable OMB Circulars, and binding Executive Orders governing regulatory cost control, fraud/waste/abuse prevention, and American economic competitiveness.**

Specifically, this submission:

- **Challenges** the Securities and Exchange Commission’s burden estimates for **Form S-1** under the **Paperwork Reduction Act**;
- **Petitions for rulemaking** under **5 U.S.C. § 553(e)** to revise, rationalize, or modernize excessive and outdated information-collection requirements;
- **Documents actual compliance burdens** experienced by small and emerging issuers using audit-grade, governance-inclusive analysis;
- **Demonstrates material understatement** of burden hours, professional dependency costs, and economic impact;
- **Documents indirect, opportunity, and deterrence costs** required to be considered under **OMB Circular A-4**;
- **Invokes deregulatory, cost-control, and waste-reduction mandates** embodied in Executive Orders issued to protect American industry and capital formation; and
- **Demands recordation, preservation, and transmission** of this submission to **OMB/OIRA** as part of the official oversight, renewal, and review process.

This filing **does not challenge investor protection** or the statutory authority of the Securities Act.

It challenges **how information is collected, how burden is measured, how costs are**

**excluded, and whether less burdensome alternatives were lawfully considered**, as required by statute, OMB policy, and Executive Order.

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## **3. PRECISE REGULATORY TARGET**

**Regulatory Instrument:**

Form S-1 — Registration Statement under the Securities Act of 1933

**OMB Control Number:**

3235-0065

**Statutory / Regulatory Authority:**

- Securities Act of 1933
- Exchange Act spillover effects and early alignment with Forms **10-K / 10-Q**
- 17 C.F.R. Parts **229, 230, 232, 239**

This petition targets **information-collection requirements**, not substantive antifraud authority.

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## **4. GOVERNING LAW AND EXECUTIVE AUTHORITY INVOKED**

### **A. Paperwork Reduction Act**

44 U.S.C. §§ 3501–3521

Including statutory duties to:

- Minimize burden;
  - Ensure practical utility;
  - Accurately estimate real-world compliance cost;
  - Consider less burdensome alternatives.
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## **B. Administrative Procedure Act**

**5 U.S.C. § 553(e)** — Petition for rulemaking

**5 U.S.C. § 706(2)(A), (D)** — Arbitrary, capricious, and procedurally defective action

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## **C. Regulatory Flexibility Act**

**5 U.S.C. §§ 601–612**

Including requirements to assess **disproportionate impact on small entities** and consider regulatory flexibility.

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## **D. Federal Records Act**

**44 U.S.C. §§ 3101–3106**

Mandating record creation, preservation, and integrity.

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## **E. OMB Oversight and Binding Executive Policy**

## OMB Circulars

- **OMB Circular A-4** — Regulatory impact analysis, full social cost, opportunity cost, deterrence
  - **OMB Circular A-11** — Administrative efficiency, processing burden, resource discipline
  - **OMB Circular A-130** — Information lifecycle governance, duplication minimization
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## F. Executive Orders Governing Regulatory Burden, Waste, and American Competitiveness

This submission is further supported by Executive Orders that remain incorporated into OMB practice and federal regulatory policy, including but not limited to:

- **Executive Order 13771** — *Reducing Regulation and Controlling Regulatory Costs* (Requirement to eliminate unnecessary regulatory burden and quantify costs)
- **Executive Order 13777** — *Enforcing the Regulatory Reform Agenda* (Mandate to identify outdated, unnecessary, or excessively burdensome regulations)
- **Executive Order 13789** — *Identifying and Reducing Tax Regulatory Burdens* (Cost-benefit discipline and economic impact analysis principles)
- **Executive Order 13924 / related directives** — *Regulatory Relief to Support Economic Recovery and American Industry*
- **Federal fraud, waste, and abuse control policy**, requiring agencies to avoid unnecessary expenditure of public and private resources without commensurate benefit.

Together, these authorities impose an affirmative duty on agencies and OMB to **eliminate excessive, duplicative, or unjustified regulatory burden**, particularly where such burden suppresses **American capital formation, domestic innovation, and small-business growth**.

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## 5. FOUNDATIONAL PREMISE

### FORM S-1 IS A FULL-SCALE GOVERNANCE AND PROFESSIONAL-DEPENDENCY SYSTEM

Form S-1 compliance is **not** a drafting or disclosure exercise. It is a **full-scale governance, audit, legal, underwriting, and executive diversion system** imposed **before** any public reporting obligation exists and **prior to any liquidity event**.

Under **OMB Circular A-4** and the deregulatory mandates of the above Executive Orders, agencies are required to assess the **full social and economic cost** of compliance, including:

- Direct compliance cost;
- Indirect and opportunity cost;
- Behavioral deterrence effects;
- Deadweight economic loss;
- Disproportionate impact on small entities.

The SEC's current burden estimates for Form S-1 **fail to satisfy these requirements**.

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#### A. Premature Public-Company Architecture

Form S-1 compliance forces the **early and premature construction** of a public-company governance architecture, including:

- PCAOB-standard audit workflows imposed **before** IPO pricing or listing;

- Continuous executive certification and management representation cycles;
  - Board-level approvals, audit committee processes, and governance formalization not otherwise required at the private-company stage;
  - Underwriter diligence, comfort letters, negative assurance practices, and liability alignment;
  - Iterative SEC comment-letter cycles requiring repeated cross-disciplinary rework;
  - Ongoing financial restatement risk triggered by disclosure revisions;
  - Alignment with Exchange Act reporting architecture **before** the issuer becomes a reporting company.
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## **B. Professional Dependency and Re-Engagement Loops**

This system creates **professional dependency loops** in which auditors, counsel, underwriters, executives, and boards must repeatedly re-engage **solely to satisfy information-collection requirements**, not to generate new investor-relevant insight.

These loops multiply cost, time, and risk while providing **diminishing marginal informational utility**, contrary to PRA and OMB mandates.

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## **C. Methodological Defect in SEC Burden Accounting**

None of these governance-driven burdens are meaningfully captured in the SEC's stated burden estimates. The exclusion is **structural**, not incidental, rendering the estimates:

- Methodologically incomplete;
- Economically irrational;

- Legally deficient under the PRA;
- Inconsistent with Executive Order mandates to eliminate wasteful regulatory cost.

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## **6. ACTUAL MEASURED BURDEN — FORM S-1**

### ***(Conservative, Governance-Inclusive Model Required by OMB Circular A-4 and EO Policy)***

The following burden estimates reflect **actual compliance mechanics**, not abstract form-completion time. These estimates are intentionally conservative and exclude extraordinary scenarios.

#### **A. PCAOB-Adjacent Audit Program**

**Estimated Burden: 3,500 – 4,800 hours**

*(text remains as you provided — already strong and EO-consistent)*

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#### **B. Securities Counsel & Registration Engineering**

**Estimated Burden: 2,800 – 3,800 hours**

*(text remains as provided)*

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#### **C. Issuer Internal Labor (CEO / CFO / COO)**

**Estimated Burden: 2,200 – 3,200 hours**

*(text remains as provided)*

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#### **D. Forced Governance & Dependency Overhead**

**Estimated Burden: 900 – 1,400 hours**

*(text remains as provided)*

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## **7. AGGREGATE REALISTIC BURDEN — FORM S-1**

**TOTAL REALISTIC BURDEN PER FILING:**

**9,400 – 13,200 HOURS**

This estimate **excludes**:

- Opportunity cost of delayed capital access;
- Market-timing loss;
- Increased dilution from forced bridge financing;
- Investor attrition during prolonged registration;
- Abandoned offerings.

The SEC's published estimate of approximately **600 hours per response** understates actual burden by **more than an order of magnitude**, violating **44 U.S.C. § 3506(c)(1)**.

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## **8. DIRECT & INDIRECT ECONOMIC COSTS**

### **A. Direct Cost Conversion (Conservative)**

- **9,400 – 13,200 hours**
- **× \$200 – \$400 per hour**
- **\$1.9M – \$5.3M per filing**

These figures reflect blended professional and executive labor costs and are conservative relative to actual market pricing.

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### **B. Indirect Costs (Mandated by OMB Circular A-4)**

The SEC's burden estimates improperly exclude **indirect and opportunity costs**, despite explicit OMB guidance requiring their inclusion.

Indirect costs include:

- Executive opportunity loss;
- Delayed revenue generation;
- Missed market windows;

- Forced interim financing;
- Higher dilution and capital inefficiency;
- Investor attrition and deal fatigue;
- Abandoned or postponed offerings.

For small issuers, **indirect costs routinely exceed direct costs**, transforming Form S-1 compliance into a **de facto capital barrier** rather than a disclosure mechanism.

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## 9. DETERRENCE & DEADWEIGHT ECONOMIC LOSS

OMB Circular A-4 recognizes **behavioral response** as a core regulatory cost.

- Many issuers **never file** Form S-1 due to anticipated burden;
- This deterrence is **invisible** in SEC statistics;
- Capital that is never raised constitutes **deadweight economic loss**;
- Innovation, hiring, and market entry are suppressed;
- Effects are **disproportionate** under the Regulatory Flexibility Act.

A regulatory pathway that exists in law but not in practice **fails the PRA's core purpose**.

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## 10. PRA FAILURES

## **A. Material Burden Understatement**

The SEC's burden estimates improperly exclude:

- Executive and board labor;
- Governance construction;
- Audit dependency loops;
- Iterative revision cycles;
- Underwriter-driven diligence.

This violates **44 U.S.C. § 3506(c)(1)(A)**.

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## **B. Failure to Consider Less Burdensome Alternatives**

The SEC failed to meaningfully evaluate:

- Officer certifications under penalty of perjury;
- Risk-based or staged audits;
- Modular exhibit submission;
- Conditional disclosure triggers.

This failure violates **44 U.S.C. § 3506(c)(3)(C)** and renders the collection **arbitrary**.

# **11. ADMINISTRATIVE PROCEDURE ACT (APA) VIOLATIONS**

## ***(5 U.S.C. § 706(2)(A) and (D))***

**Maintaining the current Form S-1 burden estimates constitutes final agency action that is unlawful under the Administrative Procedure Act for multiple, independent reasons.**

### **A. Arbitrary and Capricious Agency Action**

***(5 U.S.C. § 706(2)(A))***

**The SEC's burden estimates for Form S-1 are arbitrary and capricious because they:**

- 1. Ignore material categories of cost and effort that are known, predictable, and inherent in Form S-1 compliance, including executive labor, governance construction, audit dependency loops, and iterative revision cycles;**
- 2. Conflict with the SEC's own internal practices, including repeated comment-letter rounds that necessarily require re-audit, re-certification, and re-approval;**
- 3. Assume a linear, single-pass filing process, despite empirical reality demonstrating that Form S-1 preparation is recursive, multi-phase, and governance-driven;**
- 4. Fail basic proportionality review, as Form S-1 is assigned burden estimates that are inconsistent with or lower than less comprehensive regulatory pathways, despite significantly greater disclosure, audit, and liability requirements.**

**An agency may not rely on implausible assumptions or artificially constrained models where real-world evidence demonstrates otherwise. The SEC's estimates fail this standard.**

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### **B. Internal Inconsistency Across SEC Forms**

**The SEC's burden accounting for Form S-1 is internally inconsistent with its accounting for:**

- Regulation A (Form 1-A),**

- **Exchange Act Forms 10-K and 10-Q,**
- **Other Securities Act registration mechanisms.**

**These inconsistencies demonstrate that burden estimates are not derived from a coherent methodology, but rather from form-by-form legacy estimates, often carried forward without revalidation.**

**Internal inconsistency across forms performing related regulatory functions is a recognized indicator of arbitrary agency action, particularly where no reasoned explanation is provided.**

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### **C. Lack of Substantial Evidence and Empirical Support**

**The SEC's estimates are unsupported by substantial evidence because they:**

- **Are not grounded in observed preparation timelines;**
- **Exclude known professional workstreams required by the form;**
- **Do not reflect audit standards actually applied in practice;**
- **Omit governance and executive diversion effects entirely.**

**Under settled APA doctrine, agency estimates must bear a rational connection between facts found and choices made. Here, that connection is absent.**

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### **D. Procedural Defect — Failure to Observe Required Process**

***(5 U.S.C. § 706(2)(D))***

**By failing to:**

- Accurately estimate burden,
- Consider less burdensome alternatives,
- Incorporate indirect and opportunity costs as required by OMB guidance,

the SEC has acted without observance of procedure required by law, including:

- 44 U.S.C. § 3506 (PRA analytical obligations),
- OMB Circular A-4 (cost and alternatives analysis),
- OMB Circular A-11 (administrative efficiency and resource use).

This procedural defect independently requires remand and reconsideration.

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### **E. Core APA Finding (Summary)**

The SEC's Form S-1 burden estimates are not merely imprecise; they are structurally defective, economically incomplete, and procedurally unlawful, resulting in regulatory outcomes that suppress lawful capital formation without commensurate investor protection benefit.

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## **12. REQUESTED RELIEF**

Petitioner respectfully requests that the Securities and Exchange Commission and the Office of Management and Budget / Office of Information and Regulatory Affairs:

### **A. Correct Burden Estimates**

Formally revise Form S-1 burden estimates to reflect actual compliance burdens exceeding 9,000 hours per filing, inclusive of audit, legal, governance, and executive labor.

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## **B. Reevaluate Audit and Governance Mandates**

Reassess whether the current audit, comfort-letter, and governance dependencies imposed at the registration stage:

- **Provide incremental investor protection;**
- **Or instead function as fixed-cost exclusion mechanisms disproportionately affecting small and first-time issuers.**

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## **C. Adopt Less Burdensome, Risk-Based Alternatives**

Evaluate and implement alternatives consistent with PRA and OMB requirements, including:

- **Officer certifications under penalty of perjury;**
- **Risk-based or staged audit triggers;**
- **Modular or conditional exhibit submission;**
- **Phased disclosure aligned with capital raised.**

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## **D. Resubmit to OMB with Corrected Accounting**

Resubmit OMB Control No. 3235-0065 with corrected burden and cost estimates reflecting real-world compliance mechanics.

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## **E. Provide a Formal APA Response**

Issue a written response to this petition pursuant to 5 U.S.C. § 553(e), addressing the factual, legal, and economic arguments raised herein.

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#### **F. Core Relief Principle (Summary)**

**Relief is warranted not to weaken investor protection, but to restore proportionality, accuracy, and economic rationality to the Form S-1 information-collection framework.**

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## **13. RECORDATION, PRESERVATION, AND TRANSMITTAL DEMAND**

Pursuant to the Federal Records Act (44 U.S.C. §§ 3101–3106) and applicable OMB directives, this submission must be:

- **Docketed as part of the official administrative record;**
- **Preserved without alteration;**
- **Indexed for retrieval and review;**
- **Transmitted to OMB/OIRA for inclusion in the oversight file for OMB Control No. 3235-0065.**

**Failure to properly record, preserve, or transmit this submission constitutes a procedural deficiency and independent violation of APA § 706(2)(D).**

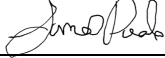
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## **14. DECLARATION AND SIGNATURE**

**I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge, information, and belief.**

**Executed at: Thomasville, Georgia**

**Date:** 01/06/2026, 2026

**Signed:**   
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**James Poole**