

**SUPPORTING STATEMENT FOR THE PAPERWORK REDUCTION
ACT INFORMATION COLLECTION SUBMISSION FOR RULE 10b5-1**

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

Among other things, Rule 10b5-1 (17 CFR 240.10b5-1) under the Securities Exchange Act of 1934 (“Exchange Act”) provides an affirmative defense to Exchange Act Section 10(b) and Rule 10b-5 liability for insider trading in circumstances where the individual purchasing or selling a security can demonstrate that material nonpublic information did not factor into the trading decision because, before becoming aware of material nonpublic information, they entered into a binding contract to purchase or sell the security, provided instruction to another person to execute the trade for the trader’s account, or adopted a written plan for trading the securities.

As a condition to that affirmative defense, directors and officers must include a representation in a written Rule 10b5-1 plan certifying that at the time of the adoption of a new or modified plan: (1) they are not aware of material nonpublic information about the issuer or its securities; and (2) they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5.

2. PURPOSE OF THE INFORMATION COLLECTION

The purpose of Rule 10b5-1 is to address potentially abusive practices associated with trading arrangements, grants of options and other equity instruments with similar option-like features, and the gifting of securities.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

Rule 10b5-1 does not specify the manner in which information must be collected. As such, respondents may use information technology as they see fit to reduce burdens associated with the information collection.

4. DUPLICATION OF INFORMATION

Rule 10b5-1 does not duplicate, overlap, or conflict with other Federal rules.

5. REDUCING THE BURDEN ON SMALL ENTITIES

The information collection requirement in Rule 10b5-1 applies to directors and officers rather than entities. The information collection requirement applies to directors and officers of all Exchange Act registrants regardless of the registrant's size, to the extent they seek to rely on the affirmative defense in Rule 10b5-1. Among other things, the rule is intended to deter abusive and problematic practices associated with the use of Rule 10b5-1 plans, grants of option awards, and the gifting of securities. These concerns apply to directors and officers of registrants of all sizes, including small entities. As such, we believe it is appropriate to impose the information collection on directors and officers of all types of registrants.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

Rule 10b5-1's information collection requirement applies to a director or officer that is seeking to rely on the affirmative defense in Rule 10b5-1 when adopting a new or modified plan. Less frequent collection would frustrate the intention of the rule, as the purpose of the written representations is to ensure that such new or modified plan is adopted in good faith when such director or officer is not aware of material nonpublic information.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances associated with this information collection.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

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

9. PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. CONFIDENTIALITY

All documents submitted to the Commission are available to the public.

11. SENSITIVE QUESTIONS

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN), privacy impact assessment (PIA) and a privacy act statement (PAS) are not required in connection with the collection of information.

12. Estimate of Respondent Reporting Burden

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Rule 10b5-1	3235-0801	8,700	13,050

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that Rule 10b5-1 takes approximately 1.5 hours per response to comply with the collection of information requirements and is filed by 8,700 respondents annually. We further estimate that the respondents will carry 100% of the burden collection of information internally. Based on our estimates, we calculated the total annual burden to be 13,050 hours (1.5 hours per response x 8,700 responses).

In connection with rule amendments to the information collection, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We believe that the actual burdens may vary among individual respondents based on their particular facts and circumstances.

13. ESTIMATE OF TOTAL ANNUALIZED COST BURDEN

The Commission estimates that all of the compliance burden associated with the information collection requirement of Rule 10b5-1 will be carried by the respondents internally and, therefore, the respondents will not incur any cost burdens.

14. COST TO FEDERAL GOVERNMENT

No filing is required to be made with the Commission under Rule 10b5-1, so no cost is attributed to the review and processing of the information.

15. REASON FOR CHANGES IN BURDEN

There is no change in burden.

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

The information collection does not employ statistical methods.

17. APPROVAL TO OMIT OMB EXPIRATION DATE

The Commission is not seeking approval to omit the expiration date.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

There are no exceptions to the certification statement for this PRA submission.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.