

From: Michael Perry
Sent: Wednesday, August 22, 2012 3:46 PM
To:
Subject: SEC.....OMB Burden of Mandatory Disclosure Documents

Team,

I was doing some work today and I stumbled across the OMB Burden (the estimated average time it takes to comply) for mandatory government documents.....including mandatory SEC filings.

I think these figures are pretty powerful to show that as matter of law my securities case should be dismissed.....because one person cannot commit securities fraud unless they took some overt, intentional act to mislead or omit (and the SEC hasn't provided any evidence and won't because I did nothing wrong).

The OMB Burden for a 10-K is 1,998.78 hours (#3235-0063, expiring April 30, 2015), for a 10-Q its 187.43 hours (#3235-0070, expiring April 30, 2015), for an 8-K its 7.71 hours (#3235-0060, expiring April 30, 2015), and for a DEF14a /Proxy its 14 hours (#3235-0059, expiring January 2008...couldn't find a more current one).

During the SEC allegation period we filed two 10-Q's (one of these on 2/12 was an 8-K, but it was the fourth quarter...so you call it an 8-K...the other was on 5/12), we filed one 10-K, we filed one DEF14a, and we filed four 8-Ks (excluding the 2/12 one).

That adds up to 2,418.48 hours!!!! And that is for the average company.....I assume not a large issuer or a highly regulated bank going through an unprecedented financial crisis.

Including all of February, 2008 and through May 9, 2008, there were a total of 70 business days.....or 560 business hours.....if I had spent all of my time working on these disclosures (and I did not).....I still could have only performed 23% of the average public company's disclosure work (if I spent 1/4th of my time as CEO on disclosures, which is still outrageously high.....then I could have only done 5.75% of the disclosure work)!!!! And that assumes the work is evenly spread out in the period in question.....which we know it is not.....those 1,998.78 10-K hours are in a pretty compact several weeks.

That's the math.....clearly "it takes a village" to perform these disclosures and CEO's must place heavy reliance on their full-time disclosure team and outside experts.....Mp

P.S. By the way, I caught a figure that was shocking.....the OMB calculates the economic burden for complying with the annual 10-k filing at \$2.86 billion!!!!

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Chairman

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