

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.⁸

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective on filing pursuant to section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(2) thereunder,¹⁰ as establishing or changing a due, fee, or other charge paid solely by members of the CSE. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate, in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹¹

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the CSE. All submissions should refer to File No. SR-CSE-2002-01 and should be submitted by March 5, 2002.

⁸ The Commission received a comment letter from the Nasdaq and a response to the letter from the CSE. Both letters are available in the Commission's Public Reference Room. See letter from Richard G. Ketchum, President, Nasdaq, to Jonathan G. Katz, Secretary, Commission (January 9, 2002) and letter from Jeffrey T. Brown, Senior Vice President, Secretary and General Counsel, CSE, to Jonathan G. Katz, Secretary, Commission (January 24, 2002).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(2).

¹¹ See section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45361; File No. SR-MSRB-2002-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Proposed Rule Change Relating to Rule G-17, on Disclosure of Material Facts

January 30, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 25, 2002 the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Interpretive Notice Regarding Rule G-17, on Disclosure of Material Facts

Rule G-17, the MSRB's fair dealing rule, encompasses two general principles. First, the rule imposes a duty on dealers³ not to engage in deceptive, dishonest, or unfair practices. This first prong of rule G-17 is essentially an antifraud prohibition.

Second, the rule imposes a duty to deal fairly. Statements in the MSRB's filing for approval of rule G-17 and the Commission's order approving the rule note that rule G-17 was implemented to establish a minimum standard of fair conduct by dealers in municipal securities. In addition to the basic antifraud prohibitions in the rule, the duty to "deal fairly" is intended to "refer to the customs and practices of

the municipal securities markets, which may, in many instances differ from the corporate securities markets."⁴ As part of a dealer's obligation to deal fairly, the MSRB has interpreted the rule to create affirmative disclosure obligations for dealers. The MSRB has stated that dealer's affirmative disclosure obligations require that a dealer disclose, at or before the sale of municipal securities to a customer, all material facts concerning the transaction, including a complete description of the security.⁵ These obligations apply even when a dealer is acting as an order taker and effecting non-recommended secondary market transactions.

Rule G-17 was adopted many years prior to the adoption of the Exchange Act's Rule 15c2-12. The development of the NRMSIR system,⁶ the MSRB's Municipal Securities Information Library[®] (MSIL[®]) system⁷ and

⁴ See Exchange Act Release No. 13987 (Sept. 22, 1977).

⁵ See e.g., Rule G-17 Interpretation—Educational Notice on Bonds Subject to "Detachable" Call Features, May 13, 1993, *MSRB Rule Book* (July 2001) at 129-130. The Commission described material facts as those "facts which a prudent investor should know in order to evaluate the offering before reaching an investment decision." *Municipal Securities Disclosure*, Exchange Act Release No. 26100 (Sept. 22, 1988) (the "1988 SEC Release") 53 FR 37778 at note 76, quoting *In re Walston & Co. Inc., and Harrington*, Exchange Act Release No. 8165 (Sept. 22, 1967) 43 SEC 508, 1967 SEC LEXIS 553. Furthermore, the United States Supreme Court has stated that a fact is material if there is a substantial likelihood that its disclosure would have been considered significant by a reasonable investor. *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438 (1976).

⁶ For purposes of this notice, the "NRMSIR system" refers to the disclosure dissemination system adopted by the Commission in Rule 15c2-12. Under Rule 15c2-12, as adopted in 1989, participating underwriters provide a copy of the final official statement to a NRMSIR to reduce their obligation to provide a final official statement to customers. In the 1994 amendments to Rule 15c2-12, the Commission determined to require that annual financial information and audited financial statements submitted in accordance with issuer undertakings must be delivered to each NRMSIR and to the State Information Depository ("SID") in the issuer's state, if such depository has been established. The requirement to have annual financial information and audited financial statements delivered to all NRMSIRs and the appropriate SID was included in Rule 15c2-12 to ensure that all NRMSIRs receive disclosure information directly. Under the 1994 amendments, notices of material events, as well as notices of a failure by an issuer or other obligated person to provide annual financial information, must be delivered to each NRMSIR or the MSRB, and the appropriate SID.

⁷ The MSIL[®] system collects and makes available to the marketplace official statements and advance refunding documents submitted under MSRB rule G-36, as well as certain secondary market material event disclosures provided by issuers under Rule 15c2-12. Municipal Securities Information Library[®] and MSIL[®] are registered trademarks of the MSRB.

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term "dealer" is used in this interpretive notice as shorthand for "broker," "dealer" or "municipal securities dealer," as those terms are defined in the Exchange Act. The use of the term in this interpretive notice does not imply that the entity is necessarily taking a principal position in a municipal security.

Transaction Reporting System (“TRS”),⁸ rating agencies and indicative data sources in the post-Rule 15c2–12 era have created much more readily available information sources. Recently, the market has made progress and market professionals (including institutional investors) can, and do, go to these industry sources to find securities descriptive information, official statements, rating agency ratings and reports, and ongoing disclosure information. These developments suggest a need for further explanation of what “disclosure of all material facts” means in today’s market.

Rule G–17 requires that dealers disclose to a customer at the time of trade all material facts about a transaction known by the dealer. In addition, a dealer is required to disclose material facts about a security when such facts are reasonably accessible to the market. Thus, a dealer would be responsible for disclosing to a customer any material fact concerning a municipal securities transaction made publicly available through sources such as the NRMSIR system, the MSIL[®] system, TRS, rating agency reports and other sources of information relating to the municipal securities transaction generally used by dealers that effect transactions in the type of municipal securities at issue (collectively, “established industry sources”).⁹

The customs and practices of the industry suggest that the sources of information generally used by a dealer that effects transactions in municipal securities may vary with the type of municipal security. For example, a dealer might have to draw on fewer industry sources to disclose all material facts about an insured “triple-A” rated general obligation bond than for a non-rated conduit issue. In addition, to the extent that a security is more complex, for example, because of complex structure or where credit quality is changing rapidly, a dealer might need to take into account a broader range of information sources prior to executing a transaction.

⁸ The MSRB’s TRS collects and makes available to the marketplace information regarding inter-dealer and dealer-customer transactions in municipal securities.

⁹ Dealers operating electronic trading platforms have inquired whether providing electronic access to material information is consistent with the obligation to disclose information under Rule G–17. The MSRB believes that the provision of electronic access to material information to customers who elect to transact in municipal securities on an electronic platform is generally consistent with a dealer’s obligation to disclose such information, but that whether such access is effective disclosure ultimately depends upon the particular facts and circumstances present.

With respect to primary offerings of municipal securities, the Commission has noted, “By participating in an offering, an underwriter makes an implied recommendation about the securities.” The Commission stated, “This recommendation itself implies that the underwriter has a reasonable basis for belief in the truthfulness and completeness of the key representations made in any disclosure documents used in the offerings.”¹⁰ Similarly, if a dealer recommends a secondary market municipal securities transaction, rule G–19 requires a dealer to “have reasonable grounds for the recommendation in light of information available from the issuer or otherwise.”¹¹ If this “reasonable basis” suitability cannot be obtained from the established industry sources, then further review may be necessary before making a recommendation. To the extent that such review elicits material information that would not have become known through a review of established industry sources, dealers recommending transactions would be obligated to disclose such information in addition to information available from established industry sources.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

¹⁰ 1988 SEC Release at text following note 70. The Commission also stated that an underwriter must review the issuer’s disclosure documents for possible inaccuracies and omissions. In the case of a negotiated offering, the Commission expects the underwriter to make an inquiry into the key representations included in the disclosure materials. In the case of a competitive offering, the Commission acknowledges that the underwriter may have more limited opportunities to undertake such a review and investigation but nonetheless is obligated to take appropriate actions under the particular facts and circumstances of such offering.

¹¹ See e.g., Rule G–19 Interpretation Notice Concerning the Application of Suitability Requirements to Investment Seminars and Customer Inquiries Made in Response to a Dealer’s Advertisement, May 7, 1985 *MSRB Rule Book* (July 2001) at 134; *In re F.J. Kaufman and Company of Virginia*, 50 S.E.C. 164, 168, 1989 SEC LEXIS 2376, *10 (1989) (discussing “reasonable basis” suitability).

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In May 2000, the MSRB-hosted a roundtable discussion about the use of electronic trading systems in the municipal securities market. Industry discussion at the roundtable, as well as subsequent comments, made it apparent that the municipal securities market, like the equity market, is in the process of developing alternative models of trading relationships between dealers and customers.

Based on the comments from the industry as well as the MSRB’s review of market developments, the MSRB concluded that in order for innovation to occur, the industry needed interpretive guidance on the application of certain rules to these new trading methodologies. Alternative trading systems present the most graphic example of changing dealer/customer relationships and consequent need for regulatory change, but the changing relationships are not necessarily limited to electronic trading venues.

The MSRB proposed the original sophisticated market professional (“SMP”) concept in guidance that was published for comment in September 2000 (“2000 Notice”) to illustrate how different fair practice rules would operate when dealers were transacting with sufficiently sophisticated market professionals. When the 2000 Notice was released for comment, several institutional investors raised concerns about the appropriateness of the guidance in light of the municipal securities disclosure regime. For example, investors asserted that the duty of a dealer to disclose all material information under rule G–17 is necessary because it cannot be presumed that an investor, however sophisticated, has access to all information that has been gathered by or is available to a dealer. Investors also noted that, like retail investors, institutional investors struggle to get the necessary disclosures in the municipal securities market and that a dealer, by virtue of its relationship with the issuer, may possess information that is material but unavailable to the investor on a timely basis.

The MSRB believes that these concerns are valid, but that they overstate the scope of a dealer’s rule G–17 obligations. In order to attempt to alleviate investors’ concerns about the SMMP concept’s application to rule G–17, the new rule G–17 interpretive notice includes an expanded explanation of what rule G–17’s

obligation to “disclose all material facts” means in today’s market.

Investors’ comment letters suggest that they have interpreted rule G–17’s affirmative disclosure obligations too broadly by implying that a dealer always has an obligation to “acquire” all material information about a municipal security before effecting a customer transaction. Rule G–17 requires that dealers disclose to a customer at the time of trade all material facts about a transaction known by the dealer. In addition, a dealer is required to disclose material facts about a security when such facts are reasonably accessible to the market. Thus, a dealer would be responsible for disclosing to a customer any material fact concerning a municipal security transaction made publicly available through sources such as the NRMSIR system, the MSIL[®] system, TRS, rating agency reports and other sources of information relating to the municipal securities transaction generally used by dealers that effect transactions in the type of municipal securities at issue (collectively, “established industry sources”). In other words, if a material fact is known by the dealer or available from an established industry source and the dealer did not disclose such fact to its customer, then the dealer could be found to have violated rule G–17.¹²

The MSRB believes the proposed rule change is consistent with section 15B(b)(2)(C) of the Exchange Act, which provides that the MSRB’s rules shall:

be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade * * * to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSRB believes that the proposed rule change is consistent with this standard in that it will clarify that a dealer’s general obligations to provide disclosure about a municipal security is

¹² Concurrently with this filing, the MSRB is filing with the Commission an interpretive notice regarding dealers’ obligations when effecting transactions for sophisticated municipal market professionals (“SMMPs”). See *infra* note 13 and Filing No. SR–MSRB–2002–02. Once the SMMP notice is approved, dealers who effect non-recommended secondary market transactions for SMMP customers will not be obligated to affirmatively disclose the information available from established industry sources to their SMMP customers. However, as in the case of an inter-dealer transaction, in a transaction with an SMMP, a dealer’s intentional withholding of a material fact about a security, where the information is not accessible through established industry sources, may constitute an unfair practice violative of rule G–17. In addition, a dealer may not knowingly misdescribe securities to the customer. A dealer’s duty not to mislead its customers is absolute and is not dependent upon the nature of the customer.

viewed within the context of reasonably available information about the municipal security and the dealer’s actual knowledge of the municipal security.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Board does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act, since it would apply equally to all brokers, dealers and municipal securities dealers.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

On July 6, 2001, the MSRB published a Notice and Draft Interpretive Guidance concerning two related topics (“2001 Notice”).¹³ The first notice concerns rule G–17 and the disclosure of material facts. The second concerns sophisticated municipal market professionals. The MSRB invited public comments on all aspects of the 2001 Notice.¹⁴ In response to the 2001 Notice, the MSRB received eight comment letters.¹⁵ Four of those comment letters

¹³ “Notice and Draft Interpretive Guidance on Rule G–17—Disclosure of Material Facts and Interpretive Guidance Concerning Sophisticated Municipal Market Professionals,” *MSRB Reports*, Vol. 21, No. 2 (July 2001) at 3, attached to the filing application as Exhibit 2.

¹⁴ The 2001 Notice was a revision to guidance that was published in September 2000 (“the 2000 Notice”). The 2000 Notice, which related only to the SMP guidance, received 17 comment letters that were considered prior to publishing the 2001 Notice. Concurrently with this rule G–17 filing the MSRB is filing its SMMP guidance with the Commission for approval. A discussion of the 2000 Notice and the comment letters received in response thereto is included in the MSRB’s SMMP filing, which has been filed as File No. SR–MSRB–2002–02.

¹⁵ Letter from Linda L. Rittenhouse, Staff, Association for Investment Management and Research Advocacy, to Carolyn Walsh, dated October 19, 2001 (“AIMR”); letter from David C. Witcomb, Jr., Vice President, Compliance Department, Charles Schwab & Co., Inc., to Carolyn Walsh, dated October 11, 2001 (“Schwab”); letter from Michael J. Marx, Vice Chairman, First Southwest Company, to Carolyn Walsh, dated October 12, 2001 (“First Southwest”); letter from Amy B.R. Lancellotta, Senior Counsel, Investment Company Institute, to Carolyn Walsh, dated October 19, 2001 (“ICI”); letter from Alan Polsky, Chairman, National Federation of Municipal Analysts, to Carolyn Walsh, dated November 13, 2001 (“NFMA”); letter from Roger G. Hayes, Chair, The Bond Market Association Municipal Securities Division E—Commerce Task Force, to Carolyn Walsh, dated October 10, 2001 (“TBMA”); letter from Thomas S. Vales, Chief Executive Officer, TheMuniCenter, to Carolyn Walsh, dated October 1, 2001 (“MuniCenter”); and letter from David Levy, Sr. Associate General Counsel, First Vice President, UBS Paine Webber Inc., to Carolyn Walsh, dated October 19, 2001 (“UBSPW”).

addressed the Rule G–17 Notice.¹⁶ The comment letters ask for some modification to the rule G–17 interpretation, but in general seemed to “welcome and concur with the MSRB’s statements regarding a dealer’s obligations to “disclose all material facts” in the context of today’s evolving trading environment.”¹⁷ After reviewing the comment letters, the MSRB approved the revised rule G–17 interpretive notice, with certain modifications and additions, for filing with the Commission.

Established Industry Sources

Comments Received. All four of the comment letters received suggest that the MSRB should not identify specific repositories of information as “established industry sources.”¹⁸ TBMA states that “‘established industry sources’ change frequently—especially now, as issuer websites and other technological advances are making new information sources available to our industry on a daily basis.”

MSRB Response. By using the term “established industry sources,” the MSRB intended to alert dealers to the sources of material information that are considered reasonably accessible to dealers engaging in municipal securities transactions. The definition identifies the basic sources for material information concerning municipal securities and recognizes that for some securities there may be other sources of information relating to the municipal securities transaction that are generally used by dealers that effect transactions in the type of security at issue.

While the MSRB is hopeful that technological advances will develop new sources of municipal securities information, the MSRB believes that the sources listed as established industry sources remain the predominant public sources of municipal securities information. Moreover, the definition of “established industry sources” was deliberately drafted to include additional sources that may be developed for certain securities. Likewise, if any of the listed sources of information become less relevant to the market in the future, the MSRB can make specific note of it at that time.

Raising the Standard of Care

Comments Received. MuniCenter’s letter suggests that the MSRB is “raising the standard of care” for dealers and states that they doubt “that broker-

¹⁶ See First Southwest, MuniCenter, TBMA, and UBSPW, *supra* note 15.

¹⁷ UBSPW, *supra* note 15.

¹⁸ First Southwest, MuniCenter, TBMA, and UBSPW, *supra* note 15.

dealers operating in the traditional marketplace, effecting a municipal transaction that does not involve making a recommendation, have interpreted fair dealing rules to require that they discover and disclose information from specified sources.”¹⁹

MSRB Response. The rule G-17 interpretive notice does not raise the standard of care required by dealers in non-recommended transactions with customers. The existing interpretive statement on rule G-17 can be construed, on its face, to obligate dealers to disclose all material information about a municipal security transaction, without regard to how accessible the information is to the dealer. The proposed rule change makes clear that the obligation of the dealer to disclose all material information is limited to such information that is reasonably accessible.

The MSRB recognizes that at times dealers may have difficulty ensuring that they have taken into account all material information available from established industry sources when disclosing material information to customers. The MSRB has been working with the industry to improve dealers' ability to access all material information concerning municipal securities transactions so that dealers can better meet their regulatory responsibilities. However, given that the disclosure system is currently not as accessible to most customers as it is to dealers, the MSRB continues to believe that dealers must be responsible for disclosing information available from established industry sources to customers.²⁰

Providing Electronic Access

Comments Received. MuniCenter is concerned that an obligation to disclose is “susceptible to an interpretation that the broker-dealer must actually deliver or otherwise communicate all material facts derived from established industry sources.”²¹ MuniCenter states that it believes that providing electronic access to information is consistent with the obligation to disclose information and would like confirmation of that view by the MSRB.

MSRB Response. The MSRB does not believe it would be appropriate for it to issue a blanket statement to the effect

that providing electronic access to information always fulfills a dealer's obligation to disclose this information to a customer. Nevertheless, the MSRB believes that under appropriate facts and circumstances (e.g., the dealer is not shifting the cost of acquiring the information to the customer, the link is prominent and functioning and the link provides information that is comprehensible to the customer) providing electronic access to information is consistent with the dealer's disclosure obligation. Therefore, the MSRB has added a statement to the rule G-17 interpretive notice to the effect that the MSRB believes that the provision of electronic information to customers who elect to transact in municipal securities on an electronic platform is generally consistent with a dealer's obligation to disclose information, but whether such access constitutes effective disclosure ultimately depends upon the particular facts and circumstances present.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Exchange Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in

the Commission's Public Reference Room. Copies of the filing will also be available for inspection and copying at the MSRB's principal offices. All submissions should refer to File No. SR-MSRB-2002-01 and should be submitted by March 5, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²²

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45404; File No. SR-NYSE-2002-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Amending Exchange Rule 351 Concerning the Reporting of Criminal Offenses by Members and Member Organizations to the Exchange

February 6, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 9, 2002, the New York Stock Exchange, Inc. (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend NYSE Rule 351 that would narrow the scope of reportable criminal offenses reported by members and member organizations to incidents, which are more germane to the conduct of a securities-related business and would, therefore, minimize the number of immaterial filings and maximize the effective use of resources committed to fulfilling self-regulatory responsibilities at the Exchange. Moreover, the proposed amendment would capture the reporting of arrests for which any subsequent conviction would subject the individual to a statutory

²² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹⁹ MuniCenter, *supra* note 15.

²⁰ The MSRB's proposed SMMP interpretive notice acknowledges that certain customers (i.e., SMMPs) have access to established industry sources and would allow dealers to effect non-recommended secondary market transactions with SMMPs without making the affirmative disclosures required under rule G-17. See File No. S-MSRB-2002-02.

²¹ MuniCenter, *supra* note 15.