



Securities Industry Association

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April 7, 2003

Jonathan G. Katz, Secretary
United States Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: File No. S7-45-02, Implementation of
Standards of Professional Conduct for
Attorneys.

Dear Mr. Katz:

The Federal Regulation Committee of the Securities Industry Association (“SIA”)¹ appreciates the opportunity to comment on the above-referenced proposal by the Securities and Exchange Commission (“Commission” or “SEC”) to add to the standards of professional conduct for attorneys that the SEC approved earlier this year as required by Section 307 of the Sarbanes-Oxley Act of 2002 (“The Act”). On December 18, 2002, SIA submitted a comment letter on the Commission’s initial Proposed Rule Implementing Standards of Professional

¹ The Securities Industry Association, brings together the shared interests of more than 600 securities firms to accomplish common goals. SIA member-firms (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. The U.S. securities industry employs more than 700,000 individuals. Industry personnel manage the accounts of nearly 93-million investors directly and indirectly through corporate, thrift, and pension plans. In 2002, the industry generated \$214 billion in U.S. revenue and \$285 billion in global revenues. (More information about SIA is available on its home page: www.sia.com.) SIA’s Federal Regulation Committee, consisting of over two dozen chief legal officers of securities firms, is SIA’s principal legal and regulatory committee.



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Conduct for Attorneys. That letter commented extensively on the rules then proposed. However, SIA only made passing comments on the “reporting-out” provision that is the subject of the current proposal. We now wish to comment more fully on that proposal.

Introduction.

While the Commission believes that “it will be the rare occasion”² in which a reporting-out obligation would be triggered, we believe that the rule will make it extremely common for corporate officials to shy away from seeking legal advice, or to trim what they tell their lawyers, weakening everyday corporate compliance with federal and state laws. Especially given that the Act does not require the Commission to adopt a reporting-out rule, we question whether a rare occurrence of uncovering misconduct justifies the likely dilution of the effectiveness of day-to-day legal advice.

All issuers depend on regular and intimate communication with counsel to meet their legal obligations as public companies. Public policy is advanced when firms are able to have candid discussions with their internal and external legal advisers to ensure their complete compliance with complex regulatory requirements. Our fundamental concern with the two versions of reporting-out proposed by the SEC are that they would discourage candor between issuers and their attorneys, especially in the most sensitive situations, where the public interest is the greatest in an issuer seeking objective and informed counsel.

² “We believe, however, that it will be the rare occasion when, as a last resort, a disclosure will be made to the Commission.” 68 Fed. Register, 6324, at 6332 (Feb. 6, 2003).



Firms in highly regulated industries such as the financial services industry have an especially acute need to integrate objective legal counsel into their daily management. Public financial service firms that are broker-dealers, or that have broker-dealer affiliates are subject to regulation by the SEC under one or more of four statutory schemes, by self-regulatory organizations such as the National Association of Securities Dealers and the New York Stock Exchange, state securities regulators, and in many instances by federal banking regulators as well as state insurance and/or banking regulators. In addition, financial service firms with foreign operations or affiliates are subject to regulation by various regulators in those jurisdictions as well. Due to the complex regulatory environments in which public financial service firms operate, these firms have an especially acute need to speak candidly with legal counsel about legal issues that are often difficult and subtle, and the SEC and other financial regulators have an especially strong interest in seeing the industries that they regulate actively seek such advice.

The SEC has attempted to address at least three concerns raised by others in response to the initial rulemaking about the form of reporting-out that the Commission now repropose. First, the SEC has tried to address suggestions that the rule would impede the ability of counsel to adequately represent issuers in government investigations and in civil and criminal litigation by defining an “appropriate response” to include a response by the issuer that it has been advised by counsel that an attorney may, consistent with professional obligations, “assert a colorable defense on behalf of the issuer.” Second, the SEC responded to concerns that the proposal was highly problematic as applied to foreign attorneys subject to conflicting requirements of other nations by excluding “non-appearing foreign attorneys” from the rule. Third, the SEC has



responded to concerns that the proposal would impermissibly conflict with the attorney-client privilege by seeking legislation to shield the production of privileged information from waiver.³

As discussed on pages 14-15 below, we have some doubt that the SEC has fully and successfully addressed at least the concern about impeding the role of investigative and defense counsel. However, as representatives of the securities industry, and as heads of law departments of public broker-dealers, we will address our primary comments to the one fundamental issue raised by the proposals for the securities industry which the Commission has not addressed: the threat posed to good corporate governance by weakening the attorney-client relationship.

Discussion.

We believe that both of the reporting-out proposals advanced by the Commission will undermine the willingness of issuers to confide in their attorneys. This in turn will weaken overall compliance with legal requirements, and could further damage public confidence in public issuers, including broker-dealers that are public companies or are wholly owned by an issuer. The Commission appears to have given this consideration little if any weight in developing its proposal, as evidenced by the fact that its cost-benefit analysis, does not even mention this as a potential cost of the rule.⁴ We are worried that

³ Testimony of Stephen M. Cutler, Director, Division of Enforcement, Before the House Subcommittee on Capital Markets, Insurance, and Government-Sponsored Enterprises, Committee on Financial Services, Feb. 26, 2003, at 9; Report of the Securities and Exchange Commission Pursuant to Section 704 of the Sarbanes-Oxley Act of 2002, Jan. 24, 2003.

⁴ While this cost is admittedly difficult to measure, the Commission's cost-benefit analysis takes account of several ostensible benefits of the proposed rule that "are difficult to quantify", but is silent on this highly significant cost. 67 Fed. Register at 6333.



this well-intentioned but overreaching regulatory response to one set of corporate scandals could set the stage for a future wave of scandals at some point in the future.

1. Candor Between Clients and Their Attorneys is Essential to Good

Compliance. Our entire legal system, and especially the regulatory structure for the securities industry, depends in the first instance on voluntary compliance with the law. Such compliance in turn requires knowledge of the law. The complexity of modern law in general, and the federal securities laws in particular, make it essential for issuers to rely on expert in-house and external counsel. If a client believes that his or her attorney can be compelled to divulge any information that the client provides to regulators and prosecutors, the client will resist giving the attorney information necessary for the lawyer to adequately counsel the client. This will be especially true where the information concerns apparent or possible improper conduct. In other words, clients will be the most wary about providing necessary information, or about seeking the most capable counsel, in exactly those situations where the attorney can play the most socially beneficial role in counseling clients to fulfill their legal obligations.

Because of the above, the confidentiality of lawyer-client communications is a mainstay of our system of justice. If it were otherwise, corporate officials would have strong reasons to be very selective in presenting issues to their attorneys. Moreover, these clients would seek to only present information about future conduct, or that is intended to persuade the lawyer that the issue is not material, not violative of a legal requirement, or has been resolved. Alternatively, corporate clients may begin avoiding counsel with a reputation for



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caution and prudence. Either way, conformance of business conduct with prevailing legal norms would be weakened, to the peril of the investing public.

Impact on Broker-Dealers. Operating a broker-dealer under the federal securities laws especially involves an endless series of judgments that must be continually re-evaluated as circumstances change. Oftentimes there is no clear answer at a given moment about the legal significance of a particular event or circumstance. It is good for the integrity of the markets and for the investing public if a broker-dealer's officers can consult their attorneys in complete candor.⁵

Due to the dynamic nature of securities regulation, management, the law department and outside counsel often engage in spirited discussion about the regulatory treatment of complex transactions and investment products. The threat of disclosure of good-faith disagreements to third parties is likely to discourage these discussions. This will lead to less clarity about what steps a broker-dealer must take to stay well within regulatory requirements. This may also dampen innovation, as firms may be reluctant to offer new products and services that they do not feel they can fully vet with counsel.

Lawyers and Accountants Play Different Roles. The fundamental flaw of a reporting-out proposal is illustrated by the false parallel that some have drawn between accountants' obligations under the Section 10A of the Exchange Act to report evidence of wrongdoing and this proposal. Lawyers and accountants play fundamentally different roles under the federal securities laws. The Supreme

⁵ The authority of the SEC and self-regulatory organizations to sanction management for failures to supervise provides an additional layer of protection.



Court recognized the distinction in *United States v. Arthur Young*, where it refused to recognize an accountant-client privilege, explaining that an accountant serves a “public watchdog function” and “owes ultimate allegiance to the corporation’s creditors and stockholders, as well as to the investing public,” while an attorney serves as a “confidential adviser and advocate, a loyal representative whose duty it is to present the client’s case in the most favorable possible light.”⁶ Similarly, in *Couch v. United States* the Court stated that “no confidential accountant-client privilege exists under federal law, and no state-created privilege has been recognized in federal cases”,⁷ while in *Trammel v. United States* the Court observed that “the attorney-client privilege serves the function of promoting full and frank communications between attorneys and their clients” and that the relationship “rests on the need for the advocate and counselor to know all that relates to the client’s reasons for seeking representation if the professional mission is to be carried out.”⁸ Any legal obligation on the attorney to take information provided by the client to a regulator without the client’s consent will undermine that professional relationship, making it difficult for the best-intentioned corporate issuers to adequately consult with their attorneys to ensure their compliance with complex regulatory requirements.

Potential Waiver of the Privilege. Notwithstanding any rule that the Commission may adopt, it is possible that any compelled disclosure may lead to waiver of attorney-client communications in other contexts. Courts have often

⁶ *United States v. Arthur Young & Co.*, 465 U.S. 805, 818 (1984).

⁷ *Couch v. United States*, 409 U.S. 322, 335 (1973).

⁸ *Trammel v. United States*, 445 U.S. 40, 51 (1980).



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held that partial disclosure of attorney-client communications leads to a waiver of the privilege with regard to all communications on that issue.⁹ The statement in 205.3(d)(3) of the proposed rule that disclosure does not waive the privilege hardly insures that a court will heed the Commission's view of the extent of a privilege ensconced in state law and in the Federal Rules of Evidence. This insecurity in not knowing if the privilege is waived due to a disaffirmation made under the proposed rule is another factor that is likely to chill communications between issuers and their attorneys.

Indeed, the Commission recently acknowledged that "a person who produces privileged or otherwise protected material to the Commission runs a risk that a third party, such as an adversary in private litigation, could obtain that information by successfully arguing that the production to the Commission creates a substantial disincentive for anyone who might otherwise consider providing protected information."¹⁰ The Commission proposes to address this concern by seeking separate legislation. As with any legislative request, the prospects for obtaining legislative relief are uncertain at best. Absent enactment of the legislation proposed by the Commission, the danger that providing information to the Commission will waive the attorney-client privilege for all other purposes will be a major drawback to any form of mandatory or permissive reporting-out.¹¹

⁹ See, e.g., *Westinghouse Electric Corp. v. Republic of the Philippines*, 951 F.2d 1414 (3d Cir. 1991); *In re Sealed Case*, 877 F.2d 976 (D.C. Cir. 1989); *In re Martin Marietta Corp.*, 856 F.2d 619 (4th Cir. 1988), cert. denied, 490 U.S. 1011 (1989); *In re Subpoena Duces Tecum*, 738 F.2d 1367, 1370 (D.C. Cir. 1984).

¹⁰ See Testimony of Stephen M. Cutler, *supra* note 3, at 9.

¹¹ For firms with global operations, not even enactment of federal legislation would address concerns about potential waiver of the privilege under the laws of other nations.



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Lawyers Reviewing the Business Judgment of Independent Audit Committees and Boards of Directors. As structured, the proposed rule would impose a reporting-out obligation only in situations where the issuer's audit committee or board of directors has made a determination on the matter, and the lawyer has concluded that the response by the audit committee or board is not "appropriate." In effect, the lawyer is directed to independently review the business judgment of these groups. We question whether it is appropriate to put this mandate on attorneys, especially in light of the requirements recently put in place that audit committees of public companies be comprised entirely of independent directors, and that boards of directors have a majority of independent directors.

Why should a lawyer, operating from a perspective that may be narrower and less fully-informed than that of an independent audit committee or board of directors, be expected to decide whether the audit committee or board's exercise of its business judgment was correct, or whether some other steps were necessary to make the action "appropriate?" For example, suppose that an attorney reported evidence of a violation committed by an employee that may or may not have been material, and the audit committee responded by demoting and transferring the employee, making changes to internal procedures or financial controls, and disclosing the violation. We do not understand why it should be the lawyer's place to supplant these decisions with his or her own subjective judgment about whether the employee should have been terminated or disciplined differently, whether the correct changes to procedures and controls were made, how the disclosure should have been worded, etc.



Admittedly the performance of some boards in the corporate scandals that came to light last year appears to have been abysmal. However, the answer to that is not to require lawyers to substitute their personal views for the views of boards of directors on matters that involve business judgment. The more practical ways of ensuring that evidence of material misconduct is responsibly handled have already been taken by Congress, the SEC and the self-regulatory organizations by strengthening the independence, transparency and accountability of the board, the audit committee, and of senior corporate management.

2. Timing of Withdrawal and Disaffirmation. We believe that the timing for withdrawal and disaffirmation of statements set out in the proposed rule is unrealistic. The rule would require an attorney, upon receiving a response from an issuer that the attorney finds is not appropriate, to withdraw “within one business day” and “promptly disaffirm” any documents or other communications with the Commission that the attorney believes are false or misleading.¹² Determining whether a response is “appropriate” may not be a snap judgment, especially if the matter involves complicated facts and a wide range of potential remedial steps. If the lawyer makes a determination that the response is not appropriate, an attorney who has had anything more than a brief relationship with the issuer would likely need more than one business day to review potentially voluminous SEC filings, correspondence, or testimony transcripts. A lawyer in this situation would likely want to retain his or her own counsel, which would almost certainly not be feasible in such a brief time. This stringent timing also essentially eliminates any possibility for an attorney to try to persuade the issuer one last time to address his or her concerns before taking the matter to the Commission. A better

¹² Section 205.3(d)(1)(i)(B) and (C). In the case of in-house counsel, the obligation would be to give written notice to the Commission of an intent to disaffirm within one business day of receiving an inappropriate response, followed by prompt disaffirmation. *Id.* at 205(d)(1)(ii)(A) and (B).



approach would be to direct the attorney to report to the SEC in a reasonable time, as set out in the alternative proposal for reporting-out offered by the Commission.

3. Comments Specific to the Alternative Proposal.

The alternative proposal for reporting-out raises the same fundamental concern about chilling communications between issuers and their attorneys, as well as some additional potential concerns. While the proposal passes the obligation to “report out” back onto the issuer, and obligates the issuer to make a public filing about the matter, so that the attorney is relieved of a direct obligation to report to the SEC, the effect is substantially the same. Under either proposal, it is the disclosure of sensitive information to an issuer’s attorneys that triggers the disclosure, thus making corporate management reluctant to share sensitive information with internal or external counsel. Moreover, the alternative proposal’s requirement that the disclosure be made in a public filing raises some fresh concerns. This provision might be used, for example, by a disgruntled junior attorney within a law department or with an outside law firm to initiate a process that inexorably leads to public disclosure of a “matter” that no one involved believes has any substance, resulting in the spread of misinformation to the marketplace and the attendant impact on the issuer’s share price.

While suffering from the same fundamental flaw as the original proposal, the alternative proposal could be better in some marginal respects. The alternative proposal drops the provision permitting an attorney to report evidence of some past violations to the Commission, consistent with the



predominant approach of state ethics rules.¹³ By placing the obligation to report the matter on the issuer rather than the attorney the alternative proposal is intended to side-step concerns about waiver of the attorney-client privilege and conflicts with the requirements of other jurisdictions on foreign attorneys. We defer to other commenters on whether the alternative proposal successfully addresses these concerns. As noted above, we applaud the provision in the alternative proposal that gives attorneys a “reasonable time” to make a determination as to whether a response is appropriate. This is much preferable to the rigid one-business-day requirement for making this determination set out in the original proposal.

4. Other Alternatives.

If the Commission is determined to pursue some version of reporting-out, we suggest that the Commission consider following the rule that is in place in the great majority of states, and permit lawyers to make disclosures to prevent a client from perpetrating conduct that constitutes a crime and that is reasonably certain to result in substantial financial injury. While this approach might also pose concerns about chilling client candor, 37 states have concluded otherwise. A Commission rule carefully tailored to be consistent with the standard applied in most states would not be as problematic as the two proposals the Commission has advanced.

5. Comments on Rules Adopted Under Section 307.

¹³ Preliminary Report of the American Bar Association Task Force on Corporate Responsibility, July 16, 2002, at 32.



We would also like to take up the Commission's offer to raise problems and questions identified with the rules recently adopted under Section 307. We have identified the following issues

A. Remedial Measures. In Section 205.2(b)(2) the SEC refers to a firm taking "remedial measures" regarding a past violation as one aspect of an "appropriate response." Some further guidance on this would be helpful. For example, if the issuer determines that a previous SEC filing contained a misstatement, would a corrective disclosure constitute an "appropriate response," or would the lawyer have to look for something further?

It is particularly unclear how or whether a lawyer should weigh a decision by the issuer regarding restitution. The adopting release indicated that appropriate remedial measures include consideration of "the feasibility of restitution." This is confusing, especially since the text of the rule makes no specific mention of restitution. Trying to analyze what "restitution" means and how to apply it to transactions made in the secondary market is difficult at best. Securities are generally held in street name, so it is not clear how an issuer could go about offering "restitution" even if it wanted to. Issues about reliance, causation and damages, which in litigation can involve testimony of competing expert witnesses, complex motion practice and lengthy trials, are not easily addressed and could slow down resolution of the matter. On what basis can a lawyer "reasonably believe" that an issuer has appropriately considered the "feasibility of restitution"? Does "feasibility" refer to the issuer's financial ability to pay restitution, the strength of a potential claim for restitution, the ability to identify potential claimants, all of these, or something else?



Rather than asking issuers and their counsel to focus on addressing liability issues such as restitution, the rule will work more effectively to ensure investor protection if the focus of the analysis is on disclosing the matter, disciplining anyone responsible for misconduct, and strengthening internal procedures and controls.

B. *Issuer.* The SEC's definition of the term "issuer" is somewhat confusing. It encompasses not just companies with securities registered under Section 12 of the Securities Exchange Act of 1934, but also "any person controlled by an issuer" if the attorney provides services to that person "on behalf, or at the behest, or for the benefit of the issuer." This is the case regardless of whether the attorney is employed or retained by the issuer. While this language was probably intended to capture the issuer's non-public subsidiaries, it can also be read to capture natural persons. This raises potential problems. For example, there may be situations where an employee of an issuer is subpoenaed to testify in a Commission investigation and the issuer decides to retain separate counsel to represent the employee. While the attorney represents the employee, not the issuer, and has clear ethical obligations to the employee to treat conversations with his client as privileged, the rule arguably could compel the attorney to report evidence of material violations adduced from a conversation between the attorney and his client to the issuer's CLO. It would be helpful if the Commission would clarify that it does not intend this result.

C. *Investigative and Defense Counsel.* Rule 205.2(b)(3) of the rule as adopted seeks to address concerns raised that the proposed rule would have



impeded the ability of counsel to zealously represent an issuer in a government investigation or in civil or criminal litigation. The provision excuses an attorney from reporting evidence of a material violation further up the chain if the attorney is advised that the issuer, *inter alia*, has retained or directed an attorney to review the evidence and been advised that the attorney can, consistent with professional obligations, assert a colorable defense on behalf of the issuer. Because of the use of the word “colorable” this provision does not go far enough to ensure that lawyers will be able to zealously defend their clients. This is a matter with important ramifications under the Fifth and Sixth Amendments of the United States Constitution.¹⁴ While the “colorable defense” standard accurately describes the ethical standard governing what sorts of defenses a lawyer can make in most civil litigation, in criminal matters a defense lawyer is entitled to raise any defense.¹⁵ In addition, some lawyers,

¹⁴ A client’s entitlement to zealous representation by its attorney is specifically recognized in the Administrative Procedures Act and in the Commission’s own Rules of Practice, as well as in myriad federal and state cases.

¹⁵ The American Bar Association’s Model Rule 3.1 states:

A lawyer shall not bring or defend a proceeding, or assert or controvert an issue therein, unless there is a basis in law and fact for doing so that is not frivolous, which includes a good faith argument for an extension, modification or reversal of existing law. A lawyer for the defendant in a criminal proceeding, or the respondent in a proceeding that could result in incarceration, may nevertheless so defend the proceeding as to require that every element of the case be established.

See *e.g.* New York Code of Professional Responsibility, DR 7-102(A)(2), which reads

In the representation of a client, a lawyer shall not knowingly advance a claim or defense that is unwarranted under existing law, except that the lawyer may advance such claim or defense if it can be supported by good faith argument for an extension, modification, or reversal of existing law.



worried about being second-guessed via hindsight, will not be comfortable asserting defenses that they think are colorable, and will hold themselves to a more restrictive standard. By coupling the requirement that the defense must be “colorable” with the requirement that the lawyer must act “consistent with his or her professional obligations” there could be uncertainty as to whether the Commission means something more restrictive than the standards of applicable state ethical rules.

The Commission’s goal here, as it stated in both the proposing and adopting release, is not to “impair zealous advocacy, which is essential to the Commission’s processes,” but to balance that with the need to ensure that an issuer does not “use an attorney to conceal ongoing violations or plan further violations of the law.” This balance can be better struck without the use of the word “colorable.” The term “consistent with his or her professional obligations” by itself amply ensures that attorneys cannot assert an improper defense.

D. Appearing and Practicing. It would be helpful if the Commission could provide more guidance on what constitutes “appearing and practicing” before the Commission. Many lawyers, both inside issuers and with law firms, have practices that are far-removed from the issuer’s fundamental operations, but which indirectly flow back to the issuer’s filings with the Commission. For example, we do not read the definition of appearing and practicing before the Commission under Section 205.2(a)(1)(iii) or (iv) to cover a lawyer who signs a FAS 5 letter regarding pending litigation, but guidance from the Commission that this sort of activity does not fall within the definition would be helpful. Other situations where the scope



of “appearing and practicing” may not be clear include a lawyer who negotiates a lease for a publicly traded company, or an employment lawyer who negotiates on behalf of a named executive officer.

- E. **QLCCs.** The final rule on qualified legal compliance committees (“QLCCs”) includes a requirement, not part of the rule as proposed and not discussed in the adopting release, that in order to use a QLCC it must be formed “prior to the report of evidence of a material violation.” We question the need for this restriction on QLCCs. Public issuers often form special litigation committees in response to events that come to light, and we do not understand why this should not be true of QLCCs. It is likely that many firms will take a wait-and-see attitude toward QLCCs until they are sure that one would be useful. At a minimum, the Commission should clarify that the rule would permit a board of directors to designate its audit committee as a QLCC at any time, so that it can consider a matter involving evidence of material violation of law even if the violation occurred prior to the audit committee’s designation as a QLCC.
- F. **Subordinate Attorneys.** Subordinate attorneys may be confused as to their obligations under Rule 205. The rule can be read to require that subordinate lawyers report evidence of a material violation either directly to the CEO or a QLCC under Section 205.3(b), (c) and (d), or to a supervisory lawyer under Section 205.5(c). Another possible reading is that a subordinate lawyer must make a report of evidence of a material violation to his or her supervisory attorney, and may take the steps permitted or required by Section 205.3(b), (c) and (d) *only* if the subordinate attorney reasonably believes that the supervisory attorney to



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whom he or she made the report has failed to comply with Section 205.3.

The root of the confusion is that Section 205.5(d) is unclear as to whether a subordinate attorney can take the steps set out in Section 205.3(b) or (c) *only* if the subordinate reasonably believes the supervisor has failed to comply. The proposing release had stated that

Paragraph 205.5(c), which *obligates* subordinate attorneys to report evidence indicating a material violation to their supervisor, is related to paragraph 205.4(c) [P]aragraph 205.5(c) is premised upon the concept that supervisory attorneys are in a better position than subordinate attorneys to report instances of possible material violations to appropriate individuals in the issuer.¹⁶

This language, however, was not repeated in the release accompanying the final rule. We believe the second of the two interpretations (i.e. the subordinate attorney should make a report of evidence of a material violation to a subordinate attorney, and not directly to the CEO or QLCC) makes more sense and that the Commission should reaffirm the statement in its proposing release to that effect. This could be done by Commission interpretation or by amending Section 205(d) to insert the word “only”.

Conclusion.

Thank you for giving SIA this opportunity to comment on the proposed reporting-out provisions of the Commission’s new Standards of Professional Conduct for Attorneys, as well as other aspects of the rules that the Commission adopted under Section 307 of the Sarbanes-Oxley Act of 2002. If you have any questions on any aspect of this letter, please contact George R. Kramer, staff adviser to the Committee, at 202-296-9410. or by e-mail to gkramer@sia.com.

¹⁶ 67 Federal Register 71670, 71696 (December 2, 2002) (emphasis added).



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Sincerely,

Robert C. Dinerstein, Chairman
SIA Federal Regulation Committee

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